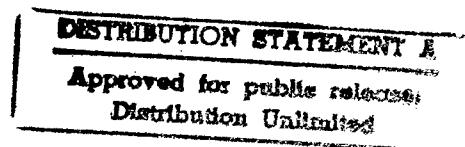


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30 August 1985

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AUSTRALIA

LABOR SENATOR CALLS FOR END TO AID TO PHILIPPINES

HK150507 Hong Kong AFP in English 0448 GMT 15 Aug 85

[Text] Canberra, 15 August (AFP)--A government backbencher today called for an end to Australian military aid to the Philippines because of the danger it could be turned against innocent civilians.

Senator Michael Tate said in a radio interview that Australia could be paying for Filipino soldiers to train here and return home to massacre and torture civilians in the war between President Ferdinand Marcos' regime and the dissident New People's Army.

He said that since 1963 about 600 Filipino military personnel had been trained in Australia "and I am sure they're not all back at a desk in Manila.

"My great fear is one day we'll wake up and find that somebody involved in these operations against innocent civilians in the Philippines did in fact undertake some training back here in Australia."

Mr Tate said he had warned Foreign Minister Bill Hayden that unless the government stopped its 1.5 million dollar (nearly 1.1 million U.S.) military aid, there would be an "extremely hostile" reaction within the ruling Labor Party's ranks.

He added that an Australian Government decision this week to withdraw 21 aid personnel from a project in northern Samar because of a threat to their security would lack credibility unless a full-scale review of all civilian and military aid was undertaken.

CSO: 4200/1379

AUSTRALIA

SENATE FINDS NEW ZEALAND AHEAD IN CER

Christchurch THE PRESS in English 19 Jun 85 p 1

[Text]

Sydney

Australian primary producers say New Zealand is the winner in the Closer Economic Relations trade agreement between the two countries.

Three out of four submissions to a Senate standing committee on industry and trade hearing in Sydney yesterday pointed to the advantage New Zealand had over Australia.

A fourth dealt with an improved relationship developed after long consultation in the forestry area.

The chairman of the vegetable section of the Livestock and Grain Producers' Association of New South Wales, Mr Bruce Delaney, said there was not a lot of trust between the two countries in his industry.

"There is a hell of a lot of suspicion in this area and it needs to be worked on," he said.

More discussion was necessary between competing industries, a thorough comparison of processes, and the Governments of both countries had to liaise more.

Government departments observing C.E.R. should also

be selling the agreement more by providing more reports and information to the relevant industries, Mr Delaney said.

The secretary of the Potato Growers' Association of Australia, Mr Joseph Conroy, told the committee that the industry in Australia would remain completely uncompetitive for a long time to come while Australia was disadvantaged by New Zealand's low wages and exchange rates.

He said the potato industry was "on its knees." Produce was coming in from New Zealand while thousands of tonnes of potatoes were being ploughed into the ground in Australia.

Two representatives of the Australian Nurserymen's Association said that although individual relationships were good, the overall co-operation was one-sided with New Zealand being helped through C.E.R.

more than Australia.

They said the New Zealand Government gave more active support to its nurserymen than the Australian Government.

The chairman of the Australian Softwood Producers' Council, Mr Roger White, said Tasman relations had improved vastly since C.E.R.'s introduction two years ago.

It was impracticable to export sawn timber to New Zealand because of the exchange rate and also because New Zealand had a large exportable surplus.

He said the soft timber industry in New Zealand and Australia was now trying to understand its problems and solve them constructively by investigating ways to market the surplus supplies overseas.

Good co-operation existed between the two countries, especially on a technical level, where there were no barriers, he said.

CSO: 4200/1361

30 August 1985

AUSTRALIA

BANKS MAY FREE \$140 MILLION FROM RESERVES

Sydney THE SYDNEY MORNING HERALD in English 25 Jun 85 p 22

[Article by Stephen Hutcheon]

[Text]

As part of the transition to its new prime assets ratio arrangement, the Reserve Bank yesterday announced that trading banks would be allowed to free an aggregate \$140 million of their assets from prudential reserves.

The move is designed to maintain a curb on the growth of credit. Had the banks been allowed to run their balance sheets down to the minimum allowed statutory reserve deposit/prime assets ratio immediately, it would have released about \$1.4 billion into the money supply.

This would have further corrupted money supply figures and thrown more funds into the banking system at a time when the RBA was doing its best to restrain the growth of liquidity.

The effect of the announcement is that the banks will be required to hold a slightly smaller proportion of their total assets as prime assets and, hence, slightly easing the cost of bank funding.

"It is not intended that this action should lead to any easing in the currently firm monetary policy," the RBA insisted in its announcement. "Consequently, the bank will be taking due

account of it in planning its market operations."

Yesterday's move is an interim measure which stems from the RBA's announced intention in early May to replace the liquids and government securities (LGS) convention with a prime assets ratio.

The RBA says that when the arrangements are operating fully, each trading bank will hold at all times at least 12 per cent of its total liabilities (other than shareholders' funds) in prescribed high-quality, readily liquidated assets.

The \$140 million which the banks will now be able to release, represents about 10 per cent of the amount by which present required holdings exceed the base figure of 12 per cent of total liabilities, or about 0.2 per cent of trading bank liabilities.

The RBA believes that it is able to take the step of allowing the banks to release \$140 million without endangering the present firm stance of monetary policy.

It further rationalises the move by noting that the announcement will not automatically put additional cash into the banks' hands.

AUSTRALIA

DIPLOMAT HITS HAYDEN'S SOUTHEAST ASIA POLICIES

Sydney THE SYDNEY MORNING HERALD in English 27 Jun 85 p 1

[Article by Peter Hastings]

[Text]

Australia's recently retired Ambassador to Thailand, Mr Gordon Jockel, strongly criticises certain elements of Mr Hayden's Vietnam policy in a letter published in the *Herald* today.

Mr Jockel, 65, one of Australia's most senior diplomats, retired from the Department of Foreign Affairs last Friday after serving as Ambassador in Bangkok for the past seven years.

He is a former Ambassador to Indonesia, and former director of the Joint Intelligence Organisation. He joined the then External Affairs Department as a diplomatic cadet in 1943, and was awarded the CBE in 1971 for his work during Confrontation.

Describing Mr Hayden as "talented and energetic" and as having earned a "high profile" in the region, Mr Jockel questions his "sudden, questionable meeting with Kampuchea's Foreign Minister, Hun Sen, in Ho Chi Minh City — a meeting that no ASEAN Foreign Minister or dialogue partner would seek ..."

He says the meeting led Thailand's Foreign Minister, Air Chief Marshall Siddhi, to ask Mr Hayden which side of the Cambodian

dispute he was on — "Vietnam's or ours?"

The "Hun Sen episode" was not only a poor diplomatic exercise but illustrated "a typically Australian belief that we can please ourselves, that somehow everything will be all right on the day, that Australia can get away with it. Well, we cannot.

"Actions like this are more likely to generate shock waves than secure the trust and confidence of the ASEAN States, which we need if we are to pursue a policy of concerned involvement in Indo-China issues."

He says the Thais have been uncertain as to whether Australian initiatives over Vietnam have reflected Australian foreign policy considerations or those of domestic policies.

Describing Mr Hayden's policy aims in Vietnam as "sound and constructive" and his original decision to involve Australia in the "deep-rooted Asian problems of Indo-China" as bold, Mr Jockel maintains that to be successful the policy needs an Australian community consensus which "so far has been notably lacking".

COMPANY MARKET VALUE ANALYZED

Sydney THE SYDNEY MORNING HERALD in English 25 Jun 85 p 19

[Article by Alan Jury: "Undervalued or Underperformer: Just How Good is the Big Australian?"]

[Text]

BHP is the Big Australian. Not only is it the largest listed company by a country mile, but it is also the most sought after stock.

Local institutions chase its scrip, foreign ones think of it synonymously with investing in Australia, and two of our best corporate raiders, Robert Holmes à Court and John Spalvins, have each squirrelled away a couple of hundred million dollars worth of its shares.

But just how good is BHP? Mr Holmes à Court claims it is an underperformer, BHP's management maintains it is grossly undervalued and John Spalvins, like the Sphinx, is keeping his own counsel.

BHP will not announce its 1984-85 results for another four weeks, but its net profit is likely to be about \$750 million, or 73 cents for each share presently on issue.

This means that at \$6.20 a share, the market is presently valuing BHP at 8.5 times current earnings.

This appears modest given the quality of the company's earnings, although it is in line with BHP's time-adjusted 10-year median PE of 7.99 times calculated by Statex for the 10 years to May 1984.

However, as the accompanying chart shows, BHP's present share price of \$6.20 is well above its most popular trading range. The horizontal lines at the left of the chart show the volume of shares traded at a particular price, indicating that the vast bulk of trading done in the past two years has been in the broad \$4.20-\$5.20 range.

Similarly, the vertical lines along the bottom of the chart represent weekly trading. Again, it is noticeable that trading volumes

dropped off as BHP soared to a peak \$6.74 earlier this year.

It's pretty obvious, therefore, that whatever BHP's directors think about the company being undervalued, the market is happiest trading BHP at lower levels.

Perhaps this has something to do with the fact that for US investors, BHP's strong share price performance earlier this year was negated by a falling Australian dollar.

Nevertheless, BHP does look cheap. Especially if one looks at cash flow multiples.

BHP's net cash flow in 1984-85 should have been about \$1.2 billion, or \$1.17 a share. Thus, the shares are presently selling for only 5.3 times their expected after-tax cash generating potential; on a pre-tax cash generation basis, the shares are on an estimated multiple of only 3.4 times.

There is no doubt BHP's performance has accelerated during the past two years — and not just because Mr Holmes à Court is nibbling at the company.

Earnings a share have grown at a compound rate of about 64 per cent a year during the past two years, easily outstripping the 10-year rate of about 13 per cent.

Cash flow per share, which has compounded by about 12 per cent a year for the past decade, has grown by 35.6 per cent a year since BHP started climbing out of its trough in 1983.

For shareholders, though, the best appears to be still in the future. Until recently, BHP was always towards the bottom of the Statex investor return (capital growth plus dividends) studies.

In a study examining the five years to June 30, 1983, for example, BHP had a 13.8 per cent-a-year compound annual return ranking it 209th in a study of 274 companies. More embarrassing, its 3-year return was then negative.

Its present protagonists, by comparison, were among the best performers. Bell Group's 66.43 per cent 5-year return was the fifth-best in the study, while Adsteam's 58.69 per cent was only three places away.

Of course, BHP has benefited from a lot of things since then. It struck oil at Jabiru (helping it fend off Bell's first bid); took over the US-based Utah and Energy Reserves groups; started earning profits from steel again and upped the production rate from Bass Strait.

Most recently, BHP demonstrated a previously unimagined cunning in getting government approval for a bid aimed at securing joint control of the North West Shelf for BHP and Shell.

BHP told the Government the joint bid for Woodside was necessary to save the project, a view not supported by subsequently released information. In fact, BHP managing director Brian Loton said in March that the company was looking at its equity in the North West Shelf project to supplement hydrocarbon reserves during the 1990s.

This new "steely" resolve of BHP's should win favour with investors, but they would probably feel a lot better if the company also lifted its payout rate.

Assuming BHP earns 73 cents a share in 1984-85, then its payout ratio is a low 36 per cent, although it is higher than last year's 25 per

cent which was only half the Statex-calculated average payout ratio for all listed companies.

Statex's figures show that BHP's average payout ratio was 34 per cent in the 10 years to 1983-84. The latest payout ratio really is only coming into line with the company's long-term average.

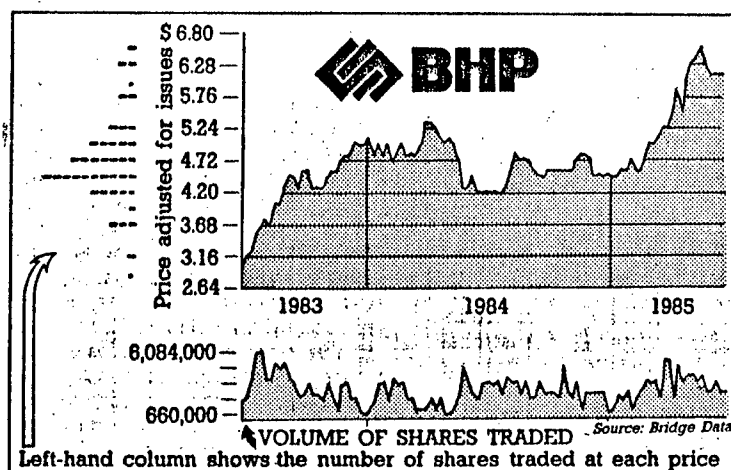
BHP, judging from comments which accompanied its interim and third-quarter reports, probably feels its shareholders have done very well. But the fact is that the company has called on them for funds four times in the past decade, as well as making a placement of 12.5 million shares in 1983. During the same period, the company has declared three bonus issues and split its shares.

Given the company's low gearing and high cash flow, it seems possible better returns could be generated for shareholders if the company adopted a less conservative funding policy.

For example, BHP had \$1.56 billion of debt (including bank overdrafts) at its 1983-84 balance date. This represented just 29 per cent of total shareholders' funds (including minority interests) of \$5.4 billion.

Offsetting its borrowings, however, was \$783 million of cash and liquid investments. In other words, BHP's net borrowings were only \$777 million, or 14.5 per cent of shareholders' funds.

BHP's cash flow was sufficient to repay all debt within 1.5 years (BHP's highest debt payback period during the past decade was 2.5 years), while its stated interest bill was covered 11.3 times by earnings before interest and tax.



AUSTRALIA

VICTORIAN LABOR CONFERENCE ANALYZED

Melbourne THE AGE in English 24 Jun 85 p 13

[Commentary by Michelle Grattan: "Victorian Labor Keeps Its Purity, Without Madness"]

[Text]

THE man from the International Bookshop was pleased to report that business was brisk at the ALP state conference. Last conference, the bookshop hadn't even set up its stall. All that passion aroused by the four unions issue was thought not conducive to sales.

By this conference, the passion had been well and truly spent. Delegates from the four right-wing unions were seen but not heard; their presence, if not welcomed, at least accepted.

You got the feeling that the Victorian branch, having gone disastrously over the top in April, was now holding itself in, very carefully. It had both frightened and exhausted itself, and was determined to prove to others and itself that it could behave well.

It was into this atmosphere that Bob Hawke came on Saturday morning.

To say the Prime Minister was nervous is an understatement. After two years absence, he returned to his hometown party unsure of his reception. The jitters showed in the convoluted speech, the excessive references to "historic", "togetherness", "friends" and "comrades".

His voice caught when he recalled consummating the "historic compact" of the prices and incomes accord in 1983. The actual term "consumption tax" did not pass his lips as he walked carefully and delicately around the minefield of Option C. He ended by thanking them all for listening to him so nicely.

After his speech, vice-president Burwyn Davidson (of Hawke's Labor Unity faction) told the Prime Minister not to leave the next appearance so long. "You are welcome" he added. It was a revealing reflection on just how bad things had got between this Prime Minister who has won twice for Federal Labor and the state branch.

Despite its strained quality, Mr Hawke's speech had been a success in its way, offending almost nobody and re-establishing basic contact with the Victorian conference.

The Victorian branch might have been on its best behavior but not everyone could resist poking out his tongue at Bob Hawke.

Before Mr Hawke arrived, outgoing president George Crawford delivered a parting shaft: the Hawke Government had implemented very little Labor policy and a great deal of Liberal policy. Viewed against the policies of the Hawke Government, the Whitlam Government appeared to be most radical in its achievements. Only those who remembered the epic resistance of George to all Gough Whitlam stood for could understand the depth of the insult.

In one sense, Victoria was just one more state conference in the tax debate; in another it had a special place.

Bob Hawke knew he would be rebuffed on the issue of a consumption tax, as he has been in most party forums (except NSW) to date.

But it was important that he not be personally humiliated: jeered and shouted down. It was important that the clapping, though not enthusiastic, outweighed the boos.

In what is a straw-in-the-wind sign of his own anxiety about the tax debate, Bob Hawke rang Victorian left-wing minister Brian Howe last Friday. The Prime Minister asked Mr Howe what he would be saying to the conference on tax — and reminded him of Cabinet solidarity, which requires that once Cabinet takes a position all ministers support it in public.

Mr Howe and others from the Left maintain Cabinet solidarity doesn't apply in party forums. But Mr Howe didn't press the point with his leader. When yesterday's tax debate came, he made his dissent from the preferred option obvious, while sticking mainly to compensation, the area touching his portfolio, and keep-

ing the attack relatively low key.

Science Minister Barry Jones (a junior minister not bound by Cabinet solidarity) was also obviously off the cart, deploring the idea of food being in the consumption tax, and proposing a tax with graduated rates.

The tax debate was like the rest of the conference: devoid of heat.

This lack of heat did not signify ideological flexibility: a slightly softer-line amendment proposed by Richard Johns of the Independent faction was decisively rejected.

But in the debate itself it was as if everyone was just playing out their parts: there was little tension, few haranguing speeches and, for some of the time when many seats were vacant, not much apparent interest.

The Victorian branch will, for the foreseeable future, keep its purity, but at the weekend there were some encouraging signs that it may lose much of its madness.

For a start, Gerry Hand replaces George Crawford as president. Mr Hand is the best thing that has happened to the Victorian Left in a decade. A leader of the new realistic section of the Left, Mr Hand is refreshingly devoid of the bunker mentality that afflicts the hard-line Victorian Left, is publicly presentable, and can even communicate with the Prime Minister.

He also understands that the Left, which can never, federally, get anywhere by numbers alone, needs to know when to stand on its dig and when to compromise or accept defeat with some grace.

Despite the obvious fissure within its ranks, the Victorian Left has not so far formally split, but the modest presidential vote for extreme-left candidate Tom Ryan (49 compared with 221 for Mr Hand) showed again what the four-unions vote last conference demonstrated: that the ultra-left, with that oppositionist mentality which flourished in the 1960s, is a small, isolated and increasingly irrelevant minority.

Labor Unity's Simon Crean, who was to be on the losing side in the tax debate, nevertheless pointed to the change that this conference seemed to mark for the Victorian branch

when, speaking on tax, he said: "Today and yesterday represent an historic turning point for the Victorian branch. There has been far more maturity shown."

Premier John Cain was intent on hammering home the need for a further dose of maturity. Mr Cain's speech, delivered and received better than Mr Hawke's (Mr Hawke would have been howled down if he had tried to say such things), was one of the frankest, toughest lectures that you'll hear from a leader in power to his party.

"The problem with the party lately is that far too much effort and attention has been given to the few issues that divide us, while the major goals that should unite us are being neglected.

"We run the risk of becoming paralysed by disunity and pessimism.

"Responsible people in the party are saying to me that one reason (for this) is that the party has not yet learned how to behave in government.

"It's hard in government. It's much easier in opposition. And if you approach it in a leisurely way, it can even be fun — it's a lot of fun criticising."

Government, Mr Cain told delegates, was inevitably about compromise: that was understandable and desirable. The area for judgment was "the quality of the compromises ... that we're moving forward, and in the right direction."

This speech did conjure the thought that the Premier had had it on file for some time: it would have been more properly delivered to the last conference (where Mr Cain was silent and, as far as he could be, inconspicuous). And Mr Cain's people said this speech was not directed to the tax issue.

Nevertheless, it made a general point about the need for unity, for keeping the eyes on the things that bring together a government and a party, that is also very relevant for a Federal Labor party that from time to time is tempted to surrender itself to factional indulgence and which will, whatever way the tax debate finally goes, come under immense strains from outside and inside its ranks.

AUSTRALIA

FOUR WILDCAT OIL WELLS BEGIN PRODUCTION

Sydney THE SYDNEY MORNING HERALD in English 25 Jun 85 p 19

[Article by J. N. Pierce: "Oilmen Purr as Four Wildcat Wells Flow"]

[Text]

Oil flowed from four wildcat wells around Australia yesterday — one offshore and three onshore — in a pay-off for the \$1.6 billion spent on exploration in the past two years.

The highest flow of 5,950 barrels a day came from the Saladin 1 offshore exploration well being drilled by WAPET (90 per cent) and WMC (20 per cent) in the Exmouth sub-basin permit WA 24P (part 1) south-west of Barrow Island.

It is one of the best oil flow rates since the Jabiru 1a discovery well in the Timor Sea produced up to 7,500 barrels a day in October, 1983. It came from the Flacort formation at the top of the Barrow Group sands and was accompanied by a flow of 42,000 cubic metres of gas a day.

The three onshore flows were in the Cooper/Eromanga Basin area of south-west Queensland and north-east South Australia.

They were headed by the Watson South 1 exploration well, rated by Delhi as "a significant new field discovery" in the Eromanga Basin's Naccowlah Block about 65 kilometres south-south-west of the Jackson oil field.

It flowed 3,112 barrels a day — one of the best onshore rates since the Strzelecki 4 flow of 3,250 barrels a day in 1978 — but Delhi with a 32 per cent interest cautions that "this is not an indication of final reserves, which are expected to be modest."

The flow came from the Hutton sandstone interval 1,605-1,612 metres and Santos (40 per cent and operator) says it is the first oil discovery away from the Jackson-Naccowlah trend where all the previous Naccowlah Block oil and gas finds have been made.

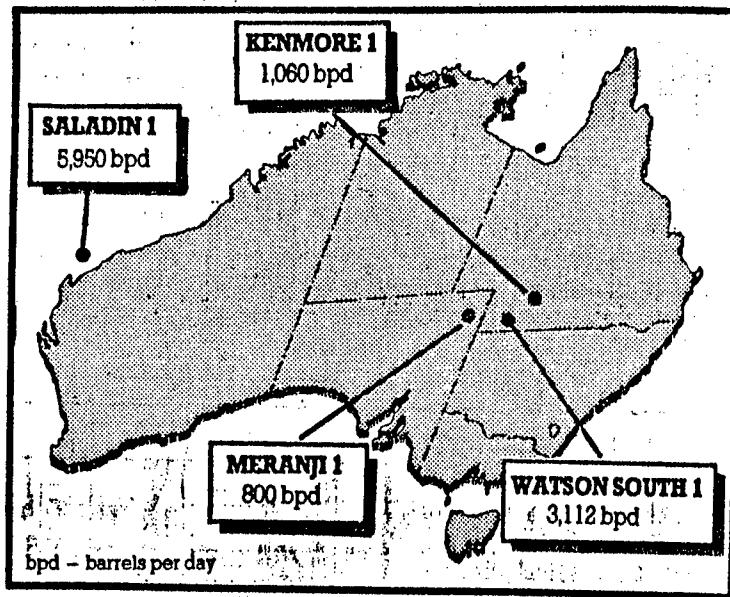
Elsewhere in the Eromanga Basin, the Kenmore 1 rank wildcat being drilled by Lasmo Energy Australia about 20 kilometres south of the Bodalla South field has discovered a third oil zone which has produced 1,060 barrels of oil a day with a 10 per cent water cut from what is now considered to be part of the basal Jurassic formation.

The flow was from the interval 1,514.5-1,519 metres and followed earlier recoveries from the Westbourne and Hutton formations. The well has yet to test the Devonian Lissoy sandstone which is the same as that which produced gas from the Gilmore field drilled by Phillips in the mid-1960s.

Lasmo Energy president, Mr Dave McDonald, said yesterday that Kenmore 1 will be production tested after being drilled to total depth of 1,628 metres and logging.

The fourth significant flow was from the Delhi/Santos Meranji 1 wildcat, 30 kilometres north-west of Moomba, which flowed 800 barrels a day from the Jurassic Namur sandstone interval 1,713-1,724 metres in an open hole drill stem test.

It will be drilled to a total depth of 3,268 metres.



CSO: 4200/1361

AUSTRALIA

40,000 FARMERS MARCH IN MELBOURNE PROTEST

Sydney THE AUSTRALIAN in English 25 Jun 85 p 1

[Text] THE bush marched in revolt through the city yesterday when about 40,000 angry farmers massed in Melbourne for Australia's biggest rural protest rally.

The farmers were protesting at what they claimed is the "unfair go" they are getting from Federal, State and local governments.

Farmers are angry about regulations and policy decisions which they say have brought them to the edge of financial ruin.

The placard-waving farmers--many with their dogs and tractors--marched 30 abreast in a formation that stretched for more than a kilometre and brought the city to a standstill.

At the steps of Parliament House they were met by the Federal Opposition Leader, Mr Peacock, and nearly every Liberal and National Party State MP.

The demonstration was the third in a rural revolt which began with a rally in Perth, followed by another in Adelaide. Next Monday--the first day of the Tax Summit--farmers will descend on Parliament House in Canberra to make a direct appeal to the Federal Government.

Shouting "Fair go for farmers" the farmers waved placards ranging from "Keating Cheating" to "The only way we can survive is to borrow to stay alive". One read: "Hawke--Bird of prey, Government of prey."

The president of the Victorian Farmers and Graziers' Association, Mr Des Crowe, said the demonstration was magnificent and yet disappointing.

"Magnificent because it shows the strength of farmers united in adversity--disappointing because it's got to this stage down on the farm," he said.

Mr Crowe said the rally highlighted some of the many issues of major concern to the rural community:

FARMERS seeking a continuity of farming could not cope with a capital gains tax on their land.

RURAL fuel consumption had increased by 2 per cent since 1982, but the cost of their fuel had increased by 52 per cent. Taxes on fuel were a major reason for these rises and the level of tax on petrol was nearly 60 per cent of the retail price.

FARMERS wanted an extension to trading hours for red meat and changes to rail freight charges.

They claimed penalties and restrictions were indirectly effecting a third of the Australian population, which depends on primary industry for its livelihood.

"Today is the launching pad and from here on in we will know that we've got the attention of the population in general and governments in particular to address ourselves to the real problems we've got," Mr Crowe said.

"There are real economic problems, not only for us as individuals, but in our position of keeping the economy propped up. That's something we have been doing for the last 150 years, but we are no longer able to do it."

On Parliament House steps Mr Crowe was met by the State Minister for Agriculture and Rural Affairs, Mr Walker, who told the crowd he supported the rally.

"It is quite clear that city people do not have enough understanding of the importance of what you do. You have every right to bring your problems and difficulties to the attention of the whole community," the Minister said.

"You have every right to bring your cause to the attention of this Parliament and this Government."

Mr Walker said the State Government had taken some significant steps concerning the rural sector, including a major rural economic study involving the Victorian Farmers and Graziers' Association and the Government.

Mr Walker said: "Many of you are clearly having a difficult time." The crowd hooted with derision.

He concluded: "Let me say the farmers and the rural workers of Victoria are the backbone of the economy of this State. They always have been and they always will be."

More than 300 buses brought farmers from all parts of the State to the rally which even had its own song, "Farmers of Australia".

Why Agriculture is Important [sidebar]

--FARMERS produce 40 per cent of Australia's exports, worth \$11 billion--but represent only 7 per cent of the workforce.

--THE average Australian earns \$17,700 a year--the average unit of farm family labour receives \$6600 a year, or 40 per cent of the average income.

--THE inflation rate ending March was 4.4 per cent--in comparison with the farm inflation rate of 6 per cent.

--THERE are 174,000 farms in Australia employing 384,300 people--plus another 600,000 jobs generated by the sector.

--THE total cost to the rural sector of government excises, taxes, charges, and protection for manufacturing industry, after allowing for rural subsidies, is \$6900 per farm.

(Figures from Livestock & Grain Producers' Association and the Bureau of Agricultural Economics)

CSO: 4200/1361

AUSTRALIA

BRIEFS

U.S. SATELLITE MONITORING CRITICIZED--The Australian Democrats have documents which the party says show that the country is further implicated in the targeting of nuclear missiles. The documents from the Office of the leader of the Australian Democrats, Senator Chipp, show that an agreement to help monitor the new U.S. Navy Geosat Satellite increases Australia's involvement in American nuclear strategy. The minister for defense, Mr Beazley, last Friday announced that an Australian Navy research laboratory--P3-Orion aircraft--would help monitor performance of the Geosat Satellite. He said Australia was already helping the United States with the Geosat through tracking stations at Smithfield near Adelaide, at (Swanbourne) Barracks near Perth, and at Norfolk Island. A Radio Australia reporter in Melbourne says American defense services documents say the purpose of Geosat is to collect gravitational data above the earth to increase accuracy of SLBM's. He says SLBM stands for the Sea Launched Trident II nuclear missile, which is a sea-going version of the controversial cruise missile. [Text] [Melbourne Overseas Service in English 0830 GMT 15 Aug 85 BK]

IRIAN JAYA BORDER VISIT--Australia's ambassador to Indonesia, Mr Bill Morrison, plans to visit the border area between Irian Jaya and Papua New Guinea. A radio Australia correspondent in Singapore says Mr Morrison may have also requested permission from the Indonesian authorities to visit East Timor before October. The ambassador will be making his first trip to the border area between Papua New Guinea and Irian Jaya since taking up his appointment in Jakarta in May. The area has been the scene of insurgency by West Papuan separatist rebels from the Free Papua Movement--the OPM. An estimated 8,000 Irian Jayans have crossed the border into Papua New Guinea because of disturbances along the border. Mr Morrison will be accompanied by an Australian aid official and will travel on to Papua New Guinea for next month's independence celebrations. In 1983, Mr Morrison led an Australian parliamentary delegation to East Timor which later claimed that reports of the support for the guerrilla organization--Fretilin--had been exaggerated. [Text] [Melbourne Overseas Service in English 0830 GMT 13 Aug 85 BK]

CSO: 4200/1379

FIJI

BRIEFS

AUSTRALIAN OFFER TURNED DOWN--Australia's offer to provide Fiji with four Australian-built patrol boats has been turned down. Fiji's prime minister, Ratu Sir Kamisese Mara, said his country was not able to pay the estimated \$360,000 [Australian dollars--FBIS] a year running cost for the four boats. However, he said he hoped Australia would accept a Fiji proposal for a locally designed version of the patrol boat. Ratu Sir Kamisese said the Fiji designed boats would be better suited to the conditions in local waters and the long distances covered by Fiji's economic zone. He said that if the patrol boats were built in Fiji, it would also provide jobs for people in the Fiji shipbuilding industry. Ratu Sir Kamisese is expected to discuss the patrol boat issue with the prime minister, Mr Hawke, at the South Pacific Forum in the Cook Islands. [Text] [Melbourne Overseas Service in English 0830 GMT 2 Aug 85]

CSO: 4200/1327

30 August 1985

FRENCH POLYNESIA

BRIEFS

LEADER ON FRENCH IN PACIFIC--The president of French Polynesia, Mr Gaston Flosse, said France should remain in the Pacific to counter any threats from the Soviet Union. He made the call for a continued French presence in the Pacific shortly after arrival in the Cook Islands' capital, Rarotonga, to seek observer status at the South Pacific Forum. Mr Flosse said Australia and New Zealand were the only other regional powers and they cannot defend the region. He said the Soviet Union was negotiating a fishing rights agreement with Kiribati as a means of seeking a foothold in the Pacific. The Polynesian president said France was likely to continue nuclear testing at Mururoa Atoll for another 15 years and that majority of the people in French Polynesia supported the testing program. [Text] [Melbourne Overseas Service in English 0500 GMT 3 Aug 85 BK]

CSO: 4200/1360

INDONESIA

GOVERNMENT BANS STUDY IN 31 COUNTRIES

BK021135 Jakarta MERDEKA in Indonesian 30 Jul 85 p 1

[Excerpt] Jakarta, 29 July (MERDEKA)--The government has banned Indonesian students and academicians from studying in 31 countries consisting of 21 socialist-communist countries, 4 countries which have no diplomatic relations with Indonesia, and 6 extremist countries.

The ban was set down in a letter of instruction dated 27 July signed by Director General of Immigration R. Sugino Sumoprawiro to all coordinators for immigration affairs/chiefs for immigration affairs at the regional offices of the Justice Department and the chiefs of the regional immigration offices throughout Indonesia.

The socialist-communist countries are the Soviet Union, Yugoslavia, Czechoslovakia, Bulgaria, Romania, Hungary, Albania, East Germany, Poland, South Yemen, Cuba, Ethiopia, the PRC, Afghanistan, North Korea, Vietnam, Cambodia, Laos, the MPR, Angola, and Mozambique.

The countries which have no diplomatic relations with Indonesia are Israel, the Republic of South Africa, Portugal, and Taiwan, while the extremist countries include Libya, Iran, Iraq, Syria, Lebanon, and Algeria.

However, the director general said that requests to study in Yugoslavia and Taiwan can be considered with permission and clearance from the State Intelligence Coordinating Board.

CSO: 4213/295

INDONESIA

BRIEFS

BORDER CROSSERS VOLUNTARILY RETURN--A total of 755 border crossers from the interior of Irian Jaya living along the Indonesia-PNG border have now voluntarily returned to their villages. Their return was not arranged by either the Indonesian or the PNG governments. The Irian Jaya regional secretary, Sumarto, disclosed that those who have returned to Indonesia are now settled in their houses as usual after going through a rehabilitation course conducted by the social affairs department. The people who crossed over to the PNG several months ago were generally malnourished. The social affairs department gave them food and medicines until they were able to cultivate their own plantations. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 2 Aug 85]

BORDER CROSSERS FROM IRIAN JAYA--The PNG Government will continue to monitor the border crossers from Irian Jaya and is willing to send them back in accordance to the agreement made with the Indonesian Government. Thomas Aitoni, an official from the PNG Foreign Affairs Ministry, said this in Jayapura yesterday when he accompanied the return of 12 Irian Jaya border crossers. The border crossers, who were sent back by a PNG-owned ship from Vanimo Port, was the fifth batch of border crossers to return. The district head of Jayapura, Basiobe, speaking in his capacity as the chairman of the Indonesian-PNG National Border Committee in Jayapura, thanked and expressed appreciation to the PNG Government for assisting the return of those border crossers. With the return of the fifth batch of border crossers, the total number of border crossers who have officially returned to Irian Jaya is recorded at 235 people. [Text] [Jakarta Domestic Service in Indonesian 0600 GMT 2 Aug 85]

CSO: 4213/295

LAOS

BRIEFS

SRV JOURNALISTS DELEGATION LEAVES--Vientiane, July 26 (KPL)--A delegation of the Vietnamese Journalists Association headed by its vice-chairman and secretary general, Dao Tung, left here yesterday after ending its friendly visit at the invitation of the Lao Journalist Association. While here, the delegation called on Sisomphon Lovansa, Politburo member of the LPRP CC, and vice-chairman of the People's Supreme Assembly, met a large number of Lao journalists and visited several production and cultural bases in Vientiane. The Lao and Vietnamese Journalists Associations also concluded on this occasion a 5-year (1986-90) cooperation agreement on July 19. [Text]
[Vientiane KPL in English 0916 GMT 26 Jul 85 BK]

HANOI ECONOMIC DELEGATION LEAVES--Vientiane, July 26 (KPL)--An economic delegation of Hanoi led by its vice-mayor, Pham Si Liem, left here for home after ending a week long visit to Vientiane. Seeing the delegation off at Wattai airport were Dr Siho Bannavong, vice-major of Vientiane, representatives of the Industry, Handicraft and Forestry Service of Vientiane, and other officials concerned. During its stay here the Hanoi economic delegation had talks with the Lao side on the economic cooperation between the two capitals. It also made tour to various construction bases, and cultural and historical sites in Vientiane. [Text] [Vientiane KPL in English 0913 GMT 26 Jul 85 BK]

CSO: 4200/1298

MALAYSIA

UK TRADE LIMITS LANDED FOLLOWING AIR AGREEMENT

BK051225 Kuala Lumpur International Service in English 0800 GMT 5 Aug 85

[Unattributed Commentary]

[Text] An agreement has been reached between Britain and Malaysia on air services between the two countries. The Malaysian national airline, Malaysian Airline System, or MAS, will operate five flights to London from July next year. The additional flights have settled what the press has described as a major stumbling block in Anglo-Malaysian relations.

There can be little doubt that both countries will benefit from the understanding that has been reached. When Mrs Margaret Thatcher paid a 3-day official visit to Malaysia in April this year, she described Malaysia as a land of opportunity and also spoke enthusiastically of a renewed era in Anglo-Malaysian relations.

There are very good reasons for the British to be interested in promoting more trade and economic links with Malaysia. This is one of the few countries in the world that continues to manage its economy very skillfully in spite of the world recession. The economic intelligence reports of well-known British banks used superlative expressions in describing the stability and economic progress of Malaysia.

Twenty years ago, Britain had 25 per unit [as heard] of the Malaysian import market and Japan had only four percent. Now that position has been completely reversed. In the recent past, Britain's trade with Malaysia suffered because of British policies on Malaysian exports and on education. However, the situation improved, and British exports picked up substantially during 1984.

Paralleling the expansion of British exports to Malaysia has been a dramatic increase in British investment in Malaysia. So great has this increase been that Britain was the top investor in 1983 and 1984 and was well ahead of Japan and other countries. Britain is in fact the fourth largest trading partner after Japan, Singapore, and the United States. Many British investments include the all-important elements of transfer technology which Malaysia particularly welcomes. Of course, this also reflects the availability of attractive incentives for serious investors who choose to come to Malaysia. An additional incentive Malaysia provides is the liberal foreign exchange

control policy that prevails. In fact, that term "control" is a misnomer. The completion of an exchange control form is to provide statistical information and is hardly a control in the usual sense of the word as far as Malaysia is concerned.

Mrs Margaret Thatcher's visit to Malaysia was the first by a British head of government since independence; that was followed by the visit last month of Mr Paul Channon, the British trade minister, and this was followed by the dialogue session between ASEAN and the European Community of which Britain is a member.

There is plenty of hope for increasing the volume of trade between Malaysia and Britain not only in respect of commodities and manufactured goods but also in services for invisible trade items. The great Napoleon Bonaparte once described the British as a nation of shopkeepers. Hopefully, the commercial acumen of the British and Malaysia's keenness to trade and to develop its economy will lead to a new and mutually beneficial relationship between the two countries.

CSO: 4200/1329

MALAYSIA

BRIEFS

MILITARY EXCHANGE WITH THAILAND--Malaysia and Thailand have agreed in principle to share their experiences in military matters, particularly in efforts to combat communist terrorists in the jungles of the two countries. The agreement was reached between the commander of the Armored Corp, Lt Gen Datuk Wan Ismail Mohamed Salleh and the Thai Armed Forces Operations Director, Lt Gen Satit Sittikul who visited the Corp in Sungai Besi. Lt Gen Datuk Wan Ismail said, under the proposed program, Malaysia would provide opportunity for members of the Thai Armed Forces to learn about the Malaysian Armed Forces mission in combating communist terrorists. Following this, Malaysia would send its [word indistinct] personnel to Thailand to study the methods used by the Thais. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 6 Aug 85]

ARIR AGREEMENT SIGNED--Malaysia and Britain have signed an air accord granting the Malaysian Airline System [MAS] to introduce a fifth weekly flight to London from July next year. The agreement also enables the British Airways to introduce a similar flight on the same route from the same date. The secretary general of the Ministry of Transport, Datuk Ishak (Kadim), signed on behalf of Malaysia while the British undersecretary of the Department of Transport, Mr Stevens, signed on behalf of his government. Speaking to newsmen later on, Datuk Ishak (Kadim) said that the agreement symbolizes the goodwill and further cements the existing relationship between both (? companies). [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 1 Aug 85 BK]

CSO: 4200/1300

30 August 1985

NEW CALEDONIA

BRIEFS

HAYDEN, TJIBAOU ON NEW CALEDONIA--Australia will not support moves at next week's South Pacific Forum to have the issue of independence for Caledonia reintroduced at the United Nations Committee on Decolonization. The foreign minister, Mr Hayden, said today that France was diligently pursuing the cause of bringing about an act of self-determination for the South Pacific territory. He said the government's view was that reintroducing the topic at the UN would only make more difficult what was a very praiseworthy objective by the French government. Mr Hayden was speaking after a short meeting with Mr Jean-Marie Tjibaou, president of the Kanak movement, the FLNKS [Kanak Socialist National Liberation Front], which is fighting for independence. Mr Tjibaou said that even if the forum did not agree on its reintroduction, individual action may be taken in New York by three Melanesian states--Papua New Guinea, Vanuatu, and Solomon Islands. Mr Tjibaou said the Kanaks were seeking observer status at the South Pacific Forum meeting in the Cook Islands, but Mr Hayden said the practice was to avoid increasing the number of observers, particularly from organizations which were not governments. [Text] [Melbourne Overseas Service in English 0830 GMT 2 Aug 85]

CSO: 4200/1326

F.O.L. ATTACKS GOVERNMENT'S WAGE STANCE

Christchurch THE PRESS in English 18 Jun 85 p 1

[Text] They are challenging the trade union movement to take industrial action," he told "The Press" in an interview yesterday.

Mr Douglas was commenting on the post-Budget call for a spread of settlements reflecting the demand for skills and the ability of individual industries to pay.

"I just do not understand the mentality of the approach that says those who can charge into it are going to get a big lolly to lick," he said.

His point was that union muscle would become as much a force in negotiations as company profitability.

The F.O.L. had no quarrel with the need to break away from the strait-jacket of horizontal relativities which, by tying one award to another, had held some wages down, Mr Douglas said.

But he asked how the ability-to-pay principle would affect workers in depressed industries, many of whom were already low-paid. The Government's argument is that they will go elsewhere after higher returns but Mr. Douglas said labour was not as mobile as capital.

He also expressed concern that some employers might interpret the call for flexibility as a clear message to offer nothing in the round if they thought they could get away with it.

The new emphasis is supposed to be on second-tier bargaining and house agreements but Mr Douglas said this ignored the fact that 80 per cent of the work-force was paid award rates.

Confirming that the unions would chase a catch-up for the freeze - "the employers still owe us:- and for price increases from December, he indicated that the F.O.L.'s advice will be to pitch pay claims above the 13 per cent level.

The theme pursued in the F.O.L. and Combined State Union's paper to the tripartite talks, released yesterday, is that urgency must now be given maintaining the value of take-home pay.

The unions attack the Treasury's inflation forecasts for the last round as "outrageously optimistic." The December quarter was estimated at 3 per cent and showed 3.2 per cent, the March quarter was estimated at 3.3 per cent showed 4.4 per cent and the June quarter, estimated at 1.5 per cent, is shaping up to produce an increase two or three times that size, they say.

They demand that the Government revise its incomes policy to "shore-up" spending within New Zealand and warn that, if this revision is not forthcoming "major difficulties will lie ahead for the tripartite conference."

The Treasury briefing paper, also released yesterday, assumes a 12 per cent wage movement for the 1985-86 year- 10 per cent in the round, plus a 2 per cent allowance for drift. This is presented, however, as an arbitrary estimate; neither a prediction of what will happen nor a prescription for what should happen.

The Employers' Federation in reply said 12 per cent was "too high to be credible" given the projected down-turn in company profitability this year.

It wants pay rates to be negotiated in light of the slump it sees as just around the corner rather than on the high profits recorded in 1984-1985.

It also wants greater emphasis on industry or enterprise agreements according to "sound economic criteria rather than industrial blackmail."

Adding to the uncertainties which surround the tripartite talks is the failure of the Treasury to offer any economic predictions beyond March, 1986. It says detailed forecasting is difficult because the Government has decentralised the economy and it is not known how quickly the private sector will respond to the new regime, or what its response will be.

A 1.5 per cent drop in consumer spending and a fall in real disposable incomes as the Budget measures begin to bite are forecast but these trends, combined with increased competition from imports, are expected to keep inflation down to 12 per cent in the 1985-1986 year.

The theory is that firms, competing for a smaller market, will absorb new costs rather than pass them on to the public. Their profits will fall, which, according to the Treasury, means they will be unable to pay wage increases above the level needed to recruit and keep staff.

Unions tempted to go for high increases this year are warned that they might lose in the longer term: "The only basis for sustainable wage increases is increase productivity," the paper says. There is thus a clear trade-off between short-term and long-term wage increases."

Failure to show restraint will also lead to redundancies as employers are forced to lay off workers they can no longer afford, it says.

The Government accompanies this call with an assurance that the needs of the low-paid will be addressed through the tax and welfare system.

CSO 4200/1324

NEW ZEALAND

SURPRISE TAX SCHEME DELAY SAID POLITICAL EARTHQUAKE

Wellington THE EVENING POST in English 19 Jun 85 p 4

[Editorial "Stalling GST is a Shocker"]

[Text] THE SURPRISE ANNOUNCEMENT of a six-month delay for introduction of the goods and services tax is the equivalent of a Political earthquake.

The lurch came with the 6.30pm Saturday announcement of the delay. That, and the aftershocks, opened cracks in what used to be seen as the Government's determination to press ahead with GST.

The tax itself is the keystone to fundamental tax reform and wealth redistribution which together are seen to be necessary to support and make more acceptable the harsh reality of market economics.

Cast doubts upon the stability of the keystone and the rest of the structure of economic policy and Government will become shaky and uncertain.

The sudden switching from the April 1 GST starting date must throw away the planning within the business community for the new tax. But worse, it shakes confidence in the Government's determination or its ability to pursue what were described in last Thursday's budget as realistic, necessary policies. A lot of people who are being hurt by the current realism will have to wait longer for the big relief possible with implementation of the full package of reforms.

It is easy to anticipate that opponents of GST will see the delay as a victory and a spur to redouble efforts to thwart its imposition, and to modify other economic policies.

Naturally enough the National Opposition is making a feast of the GST delay. When they now talk of opposing all the way, GST as described in the White Paper they do not explain what form and level of indirect tax they would impose. Nor do they recall that for all of those years in Government they virtually ignored many competent recommendations for substantial taxation reform and a significant switch to indirect taxes.

On May 14 the Prime Minister, Mr Lange, said no reason had emerged to change the Government's April 1 target date for starting GST. Delay could not be ruled out if excellent reasons emerged, he added. At the same time he said that administrative preparations were on target.

Fourteen days later the Minister of Finance, Mr Douglas, told the Hutt Valley Chamber of Commerce that he was still working on an April 1 deadline.

After such apparent certainty a number of reasons are given for the delay. Frankly, after all that had been said before the reasons are not very convincing.

On May 14 administrative preparations were said to be on target. The Government is not compelled to refer any tax measure to select committees. The broad principles and some of the detail of GST have already been subject to consultation through discussion papers and submissions from interested parties.

The Government would be painfully aware of the risks associated with delay of GST. Time is running out for demonstrating the fruits of tax reform and wealth redistribution before the next general election.

All of these consideration are going to be taken into account by a lot of people outside the Labour caucus. The result will be speculation about some hidden political reasons for the drastic delay, and a massive loss or confidence in the Government's determination.

CSO 4200/1324

NEW ZEALAND

EXCHANGE RATE REFLECTS INTERNATIONAL CONFIDENCE

Wellington THE EVENING POST in English 22 Jun 85 p 17

[News analysis by Bruce Kohns]

[Text] In a floating exchange rate system the foreign currency value of the nation's money represents an independent benchmark by which the views of those who professionally manage cash can be assessed.

Right now they are saying the Government is on track and the Kiwi dollar is worth holding at levels around the 46c to 47c level against the US dollar -- a level 3c to 4c higher than many analysts predicted three months ago would be prevailing today.

Policy

The reason the Kiwi has held up better than expected is that the consistent application of financial policy by the Minister of Finance, Mr Douglas, has convinced doubters that he means what he says. The nation's money supply will be kept tight and the budget deficit will be reduced.

The same sort of confidence is reflected in the downturn in medium-term interest rates in the latest stock tender. Falls of about 2 percent in rates paid for stock varying in maturity between nearly three years and nearly 10 years is regarded in the market as significant.

Merchant banks were reportedly heavy buyers. It may prove to be a significant profit-making decision because if rates continue to decline as expected an almost 10-year stock at rates of 17.39 percent should look well on their books.

Lock in

From the public's point of view, however, the rates do lock in long-term high rates for longer than is preferable. But this is almost inevitable against the background of high rates prevailing over the past year.

The fact that rates for stock maturing at April 1, 1987, dropped back about 2 percent is probably even more significant and suggests market and minister are coming to terms.

The Opposition finance spokesman, Mr Birch, argued that at the "sharp end" the rates' fall would have no immediate impact on mortgage and term loan rates. This is correct because trading banks and financial institutions are still working through the high cost of money taken in.

And it indicates that the most significant pointer to the future will be what the institutions do with their deposit rates. Until they start taking cash from depositors at significantly lower rates than they are at present the days of a locked-in market downward trend in lending rates will not be at hand.

There is always a significant time lag -- four to eight months -- between lending rates adjusting to deposit rates, up or down. This means that until a downward trend in deposit rates takes hold, prospects for a significant fall in mortgage and term loan rates remain distant.

Question marks still surround the political wisdom of the delay in GST introduction. But without it coming in on April 1 the Government's hopes for single figure inflation levels in the first half of next year look bright.

The market will adjust but its big question mark remains the level of wage settlements. Once a trend is established in the approaching wage round the picture of the economic scenario likely to be played out during the rest of this financial year will be much clearer.

CSO 4200/1324

NEW ZEALAND

LANGE FINANCE MINISTER CITE STOCK RATES AS SUCCESS SIGN

Wellington THE EVENING POST in English 21 Jun 85 p 8

[Text] Mr Lange said interest rates had dropped by about 2 percent since the last government tender in May, and were now down to the levels of last February.

Mr Douglas said the weighted average yield on 10-year stock had fallen by 1.8 percent since last month, while yields on two-year stock had fallen by 2.3 percent and yields on six-year stock had fallen by 2.2 percent.

The Government paid a top rate of 19.8 percent to fill the \$300 tender, down from 22.15 percent last month.

Today's tender was seen by the money market as the first major post-budget test of long-term interest rates, NZPA reported. Average rates accepted today were in line with recent rates in the secondary market which fell back last week in anticipation of the budget.

Mr Douglas said the Government's programme was on course and it would continue to run a tight monetary policy.

Mr Lange echoed this, but also warned that people should not expect dramatic overnight reductions in mortgage interest rates. He said these would only come down gradually over the next year or so.

"The most important point about the latest stock tender is that as interest rates come down the reductions will be permanent," Mr Lange said.

The executive director of the New Zealand Bankers' Association, Mr Max Bradford, said the association was "delighted" with the "fairly significant" falls in the rates.

He said the fall would put downward pressure generally on interest rates although he doubted there would be an immediate impact on rates for things like mortgages.

But he said the latest tender rates showed that interest rates had "gone over the hump."

The drop in the stock tender interest rates was being seen today as a reflection of the reduced deficit figures announced last week by the Government, he said.

It was also seen as a desire and possible anticipation of further falls as well as reflecting overseas interest.

Dealers bid a large total of \$1127 million for the \$300 million of stock offered in the tender. A high total bid of this nature almost certainly contained several overseas bids.

CSO 4200/1324

NEW ZEALAND

BUSINESS LEADER PRAISES LABOR ECONOMIC POLICIES

Auckland THE NEW ZEALAND HERALD in English 20 Jun 85 p 1

[Text] In an off-the-cuff address at Wellington's Michael Fowler Centre; Mr Renou put his full weight behind the Government's policy, saying he felt the country must support deregulation.

Mr Renouf told the 150-odd shareholders that he was very outspoken about the problems he saw under the previous Administration; which he emphasised "were so bad they nearly lead us to financial ruin."

"So may I say at this point that if Timaru is by any chance a reflection... of how the public sees the economic stance of New Zealand at the moment, then the result in Timaru is a travesty of justice."

Pressure

Earlier in his address Mr Renouf said that travelling outside New Zealand the exchange rate (of the \$NZ) was "a threatening thing" and made it almost impossible to enjoy oneself because of its weakness.

"We must take the pressure off it, and this can really only be accomplished by combining a good export performance with a reduced demand for imports and a reduced demand for consumption in the short term.

"Really this is what the Government is all about in trying to say that we must tax consumption to protect our exchange rate until we are more happily in strength again."

Later in the speech he said: "We have passed out of an era of being regulated to the point where we were being stifled, and under a new Administration we seem to be free, which is unbelievable."

Mr Renouf said if people were complaining because the new cost was showing up on their businesses or on their farms, it was a sign that the previous Administration hid the real fact.

Real Cost

"The real cost of being a farmer is to have to borrow money at a high rate of interest, it is to have to put up with high transport charges...

"I am saying what I believe must be said.

"The private sector should insist that the real cost of what we are doing is shown where it really falls, and not hidden by some magician who never faces the real fact of life."

Shareholders were told that "down the track" the corporation would have some very interesting announcements to make within a few weeks.

"I think you will be proud to hear of the culminating success of one or two of them that are so close..."

"Some projects are taking time to get into position for development and we incur holding charges for those and we must pay interest where we are borrowing money for bridging finance.

"It makes the ultimate benefit less than it might have been but the ultimate benefit, we believe, is there, because it is entrepreneurial and building New Zealand."

CSO 4200/1324

NEW ZEALAND

OVERSEAS TRADE MINISTER ON RISKS IN TRADE WITH IRAN

Auckland THE NEW ZEALAND HERALD in English 19 Jun 85 p 3

[Text] Mr Moore said yesterday that the Dairy Board and the Meat Board would need to co-ordinate their marketing to seal a major new deal for long-term sales to wartorn Middle Eastern states.

And he hinted that one of the two boards would have to accept "marginal" prices in the interests of total trade.

Deviation

Talks are expected to be held between the boards this week in a bid to formulate a response to the Iranian offer tabled while Mr Moore was in Tehran with officials this week.

But Mr Moore said some deviation from normal trading practices would be in New Zealand's overall interests, even though that might be inconvenient to the producer boards.

The joint Dairy Board-Meat Board deal now being considered, for example, would take the form of a barter arrangement in return for a larger quantity of Iranian oil than had been traded under previous similar deals.

War Effort

The larger quantity would give New Zealand greater leverage in its dealings with Iran leading to a bigger outlet for both dairy and meat products.

Speaking from Sydney on his way back from Tehran, Mr Moore described the Iranians as "very difficult to deal with."

A situation might arise, for example, where the war effort by Iran would require diverting funds from projected commodity deals to military hardware such as tanks.

"That is not good -- but it is still far superior to grinding down mutton and feeding it to the chooks," Mr Moore said.

He said difficulties were bound to be encountered with a country which had "25 per cent of its gross national product trapped in a war which does not look like finishing."

Played Off

But the country was also acquiring a corps of hardnosed officials who were proving to be very tough traders.

A joint approach to trade with Iran by the Meat and dairy Boards would thus strengthen New Zealand's overall bargaining position.

"The truth is, we would like markets where we are not so much at the whim of a political system that is somewhat difficult to nail down."

Mr Moore said he was a little concerned that one board might be played off against the other -- and separate counter-deals were desirable in the long run.

"But on the other hand I have suggested gently -and it is up to them -- that perhaps we get all our oil in one burst."

No Question

The aim would be to buy the oil at a cheaper price and have a more effective lever in counter-trading deals.

Mr Moore said there was no question that the two boards would need to respond to the latest Iranian offer by offering produce at giveaway prices.

"I am confident that we have got the best deal possible and that, if the boards do not accept it, they will have excellent reasons for not doing so."

No officials of either board were in a position last night to comment on the proposed joint response to the Iranian offer.

Meanwhile, it is understood that the Dairy Board expects to receive overdue payment this week for a \$40 million oil barter deal with Iran.

CSO 4200/1324

NEW ZEALAND

\$35 MILLION WOOL DEAL SIGNED WITH IRAN

Wellington THE EVENING POST in English 21 Jun 85 p 6

[Text] The Minister of Overseas Trade Mr Moore, today heard the news he had been hoping for from Iran -- wool exporters had sealed a \$35 million deal.

Mr Moore told NZPA a telex had arrived that he and his department had been "sweating over."

A group of private exporters headed by Mr Richard Mercer, director of Scoured New Zealand Wool Exporters Ltd, of Christchurch, was coincidentally trying to sell to Iran when the minister visited Tehran during the last week.

They joined his delegation and were given ministerial support in their efforts to sell scoured wool to the Persian carpet trade.

The wool was essentially the real new business discussed by the mission. It was a key element for a successful visit by Mr Moore.

When the minister left for home, three wool representatives stayed in Tehran to complete the sale.

Mr Moore said in a statement yesterday that the wool exporters had reached agreement with the Iranian Government's wool buying organisation.

"This business is worth about \$35 million," he said.

The amount represents around 12,000 tonnes of scoured wool and is comparable to previous sales to Iran.

Mr Mercer said the sale was significant as being the first combined effort by part of the wool export trade. The Wool Board and some private exporters were not represented in the delegation.

Mr Moore said it was significant "not just because of its size as a single sale, but also because it marks the recommencement of purchases by Iran after a gap of some 18 months."

It was "a great day for New Zealand trade."

NEW ZEALAND

TRADE TALKS WITH ASEAN END IN STALEMATE

Auckland THE NEW ZEALAND HERALD in English 19 Jun 85 p 2

[Text] Two days of talks in Wellington have failed to resolve differences between New Zealand and South-east Asian countries over trade preferences.

The differences arose when Singapore objected to New Zealand's decision to remove it and 15 other countries, with effect from July 1, from a list of developing countries entitled to tariff preferences averaging 20 per cent.

New Zealand said the decision was part of a new policy of removing preferences from countries with a per capita national income of 70 per cent or more of New Zealand's.

But there have been reports in the Singapore press this month that Singapore was considering trade reprisals against New Zealand if it did not back down from this policy.

It has now been backed in the talks in Wellington by a high-level delegation representing all five other member countries in the Association of Southeast Asian Nations (Asean), including the Asean secretary-general, Mr Than Wannamethee.

The leader of the New Zealand delegation, the Secretary of foreign Affairs, Mr Merwyn Norrish, said after the 12 hours of talks ended yesterday that the July 1 deadline for the new policy still stood.

The Asean delegation presented a formal memorandum recording their views on the issue, but it was agreed that neither side would reveal what it said.

Another official involved in the talks said it was hoped there would be a basis for going back to the Asean countries after the cabinet considers the outcome of the talks on Monday.

CSO 4200/1324

NEW ZEALAND

AGRICULTURE MINISTER ASSESSES OPPORTUNITIES IN MIDDLE EAST

Auckland THE NEW ZEALAND HERALD in English 21 Jun 85 p 16

[Text] After the progress already made during the past decade the Minister of Agriculture, Mr Moyle, who has twice been to the Middle East, is convinced big opportunities lie ahead.

And he believes, too, that New Zealand trade will be assisted through the help this country can give the Middle East with farm management expertise, agricultural training courses, and the provision of breeding stock and agricultural equipment.

In a speech in Hamilton last week Mr Moyle described food security as one of the major concerns of Middle East governments.

Vast Increases

And figures he presented showed part of the story of success already achieved by New Zealand in supplying Middle East food and fibre needs.

In Iran, for example, the value of New Zealand meat exports has risen since 1975 from \$4.4 million to \$287 million last year, with dairy products moving over the same period from \$92,000 to \$65 million.

Saudi Arabia last year took \$35 million worth of New Zealand meat compared with \$1.2 million in 1975, and \$20.8 million worth of dairy products against a value 10 years ago of \$436,000.

Dairy product sales to Iraq have grown over the period from \$4 million to \$32 million.

Oman, one of the smaller Middle East nations, has also proved an expanding market, New Zealand meat sales rising over the period from \$28,000 to \$9 million and dairy product from \$83,000 to \$2 million.

Food Production

Mr Moyle said that in the oil-rich Gulf States the ready availability of both money and energy had been exploited in capital and energy-intensive projects to increase agricultural production.

This was particularly apparent in Saudi Arabia, where \$US21 billion had been allocated for the development of agriculture and water resources over the period 1980 to 1985.

The minister added: "Because of the efforts to increase food production in these countries and because of the vast government investment involved and the lack of trained people, New Zealand is well placed to provide technical assistance on a commercial scale.

"Our expertise in livestock production and management is clearly recognised in the Middle East.

"Our people who are working there already are highly regarded and well liked and this is a plus for us when we go there to talk trade."

Export Industries

Dealing with the home front, Mr Moyle said export industries would not collapse because Government props were being taken away; the structure was basically sound and capable of adapting.

"In future," said Mr Moyle, "the production decision that used to be heavily influence by government intervention through subsidies and support prices will return to the hands of farmers and other producers best placed to make decisions on the basis of market prices and trends."

For New Zealand new market and new product were a case of looking and doing.

If the dairy industry had sat on its hands when Britain went into the Common Market it would not be the vital, progressive industry it was now with a \$92 million surplus at the end of a season which began with a strong prediction of a deficit.

Plants Modernised

Instead, the minister said, the dairy industry went out and looked for new markets.

It researched and developed new product, undertook a vast programme of modernisation in processing plant, and developed new ways to market product by setting up processing plants in other countries and establishing joint venture partnerships with key distributors.

The industry set out on a new course, reducing as much as possible its role as a seller of a few bulk commodities.

CSO 4200/1324

NEW ZEALAND

TRADE MINISTER ON CUTTING LAMB EXPORT SUBSIDIES

Auckland THE NEW ZEALAND HERALD in English 22 Jun 85 p 3

[Text] The Minister of Overseas Trade and Marketing Mr Moore, yesterday said he expected the countervailing duty on New Zealand lamb sold to the United States to be cut substantially later this year.

There would be some "refinement" in the level of duty, he said.

In a preliminary ruling, the United States Commerce Department said imports of New Zealand lamb were illegally subsidised and would be subject to a bond of about 12c a pound to offset the subsidies.

Lamb imports arriving in the United States last year from New Zealand totalled \$US10.8 million (\$23.5 million), the department said. The subsidies came mainly from price support programmes.

The case was initiated after complaints were received from American lamb producers.

The department will decide by September 3 whether to uphold its preliminary determination.

Mr Moore said Commerce Department officials would visit New Zealand next month to verify information supplied by Government departments, the Meat Board and the Meat Export Development Company.

The officials visit would give the Government, the Meat Board and others every opportunity to present the strongest possible case and argument against the level of countervailing duties.

Mr Moore said that by the time a final determination was made, the actual level of New Zealand agricultural support or other measures which had been determined as subsidies would have been reduced or eliminated.

"Already over the past 12 months there has been a scalingdown or removal of a number of support measures and this will continue in 1985."

The export programme taxation incentive from April 1, 1985, and the elimination of supplementary minimum price lump sum payments later in the year would have a significant effect on the actual level of a countervailing duty applying to lamb imported into the United States then.

Mr Moore said the duty being leveled was unfortunately predictable as a result of an agreement in 1981 between the then National Government and the United States Administration.

Mr Athoi Hutton, the managing director of New Zealand's biggest exporting company, Waitaki NZR, said the countervailing duty applied only for shipments arriving in the United States from yesterday on, and that meant only the tail end of this season's production would be affected.

"Next season, there will be no SMPs, so that cuts half of that countervailing duty out. There will be a reduction in export incentives which will further reduce it."

Mr Hutton said he could see the duty coming down from 12c a pound to about 8c a pound, or 4 per cent of the total value.

"That should not put us in an uncompetitive situation."

The United States was an enormous market and because of the enormous reduction in sheep numbers there, dropping from 45 million at the end of the Second World War to below 10 million now, there must be a great opportunity for New Zealand lamb there.

"Already we are seeing some fairly substantial increases in sales there, and I think the time is ready to attack the market and I do not believe a 4 per cent duty will affect us too much."

The chairman of the Meat Board, Mr Adam Begg, said the board would work with the United States Commerce Department verification team in an effort to reduce the duty.

CSO 4200/1324

NEW ZEALAND

BRIEFS

GREENPEACE BOMBING TRIAL DATE--Auckland, New Zealand, 15 August (AFP)--The hearing of state evidence against two French nationals charged with murder, arson and conspiracy to commit arson in connection with the 10 July sinking here of Greenpeace's vessel Rainbow Warrior is to start on 4 November. The two, identified as Sophie and Alain Turenge, were immediately returned to jail after Chief Justice Brian Blackwood set the date today. They must be brought back to court once a week until the preliminary hearing begins, Justice Blackwood ordered. The Rainbow Warrior was to have led a flotilla sailing the Pacific atoll of Mururoa to protest French nuclear testing there. A portuguese photographer, Fernando Pereira, was killed in the blast that sank the ship. Some French newspapers have charged involvement by France's secret service, and the French Government is conducting a special enquiry led by the former top civil servant, Barnard Tricot. [Text] [Hong Kong AFP in English 0158 GMT 14 Aug 85 HK]

CSO: 4200/1380

PHILIPPINES

EDITORIAL ON FURTHER REPORT OF INVESTMENTS IN U.S.

HK201239 Quezon City ANG PAHAYANGANG MALAYA in English 31 Jul 85 p 4

[Editorial: "'News' Expose Tip of Iceberg?"]

[Text] We have felt all along that the MERCURY NEWS expose was not quite complete and it was with a feeling of vindication that we welcome the statement of former Senator Salvador H. Laurel confirming our suspicions.

Fresh from a series of speaking engagements in the United States, Laurel told a news conference of "an explosive report documenting the huge investments allegedly amassed abroad" by crooked Filipinos not only in the U.S. but also in Australia, Switzerland, and other European countries. The documented report, Laurel avers, "confirms what was stated in the MERCURY NEWS and beyond." Based in San Jose, California, the NEWS expose concentrated only on West Coast investments of ill-gotten wealth by rich Filipinos.

The extent and magnitude of this particular crime by greedy government officials and their cohorts are practically beyond belief. Dollar hoards in tax havens and properties in four continents amounting to more than \$10 billion--according to a private research group--have saddled the government with a \$26-billion debt and created a "quagmire of poverty" from which no relief seems to be forthcoming. A new loan rescue package negotiated recently with the International Monetary Fund-World Bank and another 483 private banks is expected to bail out the country from its present predicament, but many citizens in the know doubt that it will fully serve the purpose. Cognizant of the insatiable and gargantuan appetites that fuel the greed of most of the regime's officials, these citizens are of the belief--and rightly so--that most of these rescue package money will end up lining the pockets of big-time crooks.

Still and all, the Unido president must be congratulated for bringing home the bacon, so to speak, after a fruitful trip abroad. Laurel had promised that the amplified report will be a "bombshell" and a "big

political issue" and we have no doubt it will be such. Pictures of stately, imposing mansions ringed by security guards and stuffed with expensive art works and other costly decorations are only the surface indications of wealth plowed abroad by local crooks. He had promised that at the proper time, these high-living and high-flying criminals who have plundered the nation's wealth and patrimony will be exposed to the public. Laurel is expected to make good his words.

In the meantime, the nation awaits the report--with fingers crossed and bated breath.

CSO: 4200/1314

PHILIPPINES

PRC ENVOY DISCUSSES SINO-PHILIPPINES TRADE

HK251427 Manila BUSINESS DAY in English 25 Jul 85 p 2

[Text] China is considering Philippine offers to sell some sugar mills and a pulp and paper plant, but these are still under negotiations.

Chinese ambassador to the Philippines, Chen Songlu told newsmen yesterday that no formal proposal has been submitted but it is believed that the sale of these mills were discussed during the recent visit of a Philippine trade mission to China.

The number of sugar mills to be sold to China is still unclear. The Philippines is trying to sell Cellograph Resources Corp., a former Herdis-owned pulp and paper plant.

Trade between the Philippines and China is expected to expand further this year as a result of efforts on both sides to bolster the two-way trade.

Chen told members of the Financial Executives Institute of the Philippines (FINEX) yesterday that since the opening of formal trade relations between the two countries, bilateral trade has expanded considerably.

The trade balance, however, has always been in favor of China as a result of the substantial crude oil imports made by the Philippines yearly.

He said the Chinese side has been trying hard to increase imports from the Philippines in order to reduce the country's trade deficit.

For this year, in addition to importing from the Philippines such traditional commodities as coconut oil, copper ore, timber and plywood, China has started buying phosphate fertilizer, copper cathodes, cement, bananas and mangoes.

Chen said it is expected that the trade volume between China and the Philippines this year will grow even bigger than in 1984.

Total two-way trade last year reached \$230 million. Chen said the goal is to reach \$500 million yearly.

From 1980 to 1982, the volume of trade between China and the Philippines increased by an average of over \$300 million each year, five times more than the level in 1975 when formal diplomatic relations started.

Chen also said that for this year, the Philippines is expected to import from 700,000 tons to 900,000 tons of crude oil and some 100,000 tons of rice from China.

He said the Philippines and China can have wide ranging economic and technological cooperation in agriculture, light and textile industry, mining and metallurgical industry, mini-hydro power stations, power transmission and transformation projects as well as civil engineering and construction.

Chen also said that China intends to maintain its strategy of opening the country to the outside world and expending economic and technological exchanges with foreign countries.

CSO: 4200/1314

PHILIPPINES

AGAPITO AQUINO MOVING TOWARD DEMOCRATIC SOCIALISM

HK261519 Manila BUSINESS DAY in English 26 Jul 85 p 5

[Article by Marites Danguilan-Vitug]

[Text] Agapito "Butz" Aquino came home from a "study" tour of Europe to find himself courting controversy. He has controversy. He has conditionally broken his ties with the Left and appears to be losing control of the August Twenty-one Movement (Atom), the organization he founded after the assassination of his brother, former Senator Benigno S. Aquino Jr. And he thinks he has found an ideology to present as an alternative to the Marcos regime and to communism.

Many see this as the turning point in Aquino's public life; his political fortunes will be determined by the next step he takes and the choices he makes.

Still recognized as a leader of the "parlament of the streets" although he has left Bayan (Bagong Alyansang Makabayan) [new Nationalist alliance], Aquino has one option easily open to him--traditional politics. This he refuses to take: "I'm not out to be a politician. I don't have a high regard for the present electoral system."

What he has in mind perhaps is an active advocacy of a third alternative, "democratic socialism," which, he says, is neither right nor extreme left nor an elite democracy type of system. This political thought, he explains, aims to achieve equality with freedom and believes in parliamentary struggle and popular movements to bring about change.

Aquino appears to have been heavily influenced by his recent experience in the Congress of Socialist International, an organization of socialist parties of 45 countries headed by Willy Brandt, former chancellor of West Germany. Aquino and former senator Jovito Salonga were invited as guests to the congress which was held in Sweden.

Aquino's visit to countries like Norway, Spain and West Germany reinforced his socialist convictions. Now, he is intent on completing his political education: "There had been too many activities in the

past two years that I failed to have time for myself, to study and do some introspection. Now, I want to have a clear political line."

Aquino seems to be in the process of sifting through his political beliefs. He says he was not consciously shopping for an ideology. His inclination toward "democratic socialism" came in the natural turn of events.

He recalls: "When I was young, I didn't like the idea of the children and grandchildren of tenants remaining tenants; of domestics staying as domestics forever. There is no upward mobility."

The beginnings of his socialist orientation were evident as early as his childhood, he says.

His two years of working with the Left, starting during the post-Aquino assassination period, have made no further dent in his politics, he says, although he credits part of his education to some communist friends back in the '60s.

He has been distancing himself from the more radical forces as a result of lingering differences, starting with his departure from Bayan and, more recently, from the organization that he founded, Atom.

He arrived from his trip and was met by the troubles of Atom, some of whose members insisted on its remaining a moderate political group while others wanted to transform it into a more militant one. Aquino co-founded Atom in 1983 with seven Ateneo high school classmates.

Atom has grown from its core membership of businessmen and professionals to include employees, workers and students. The group's political line has likewise broadened from merely rallying behind the slain Benigno S. Aquino Jr. to anti-imperialism, anti-oppression, and anti-exploitation.

When Aquino and several other Atom officials and members did not join the first national congress Sunday, it looked like Aquino had lost touch with his own group, unable to hold together some 200 members.

Aquino thinks Atom should stick by his older brother's beliefs, among them, non-violence, adherence to justice, freedom and democracy, faith in God and non-communism. Some believe he has retreated from an earlier militant stance on wideranging issues.

CSO: 4200/1314

LAUREL: FIGHT FOR IMPEACHMENT TO CONTINUE

HK141303 Manila Radio Veritas in Tagalog 1000 GMT 14 Aug 85

[Text] Doy Laurel, UNIDO [United Nationalist Democratic Organization] presidential standard bearer, declared that nothing could stop the opposition from revealing the reasons why President Marcos should be removed from office. Laurel said that the opposition's fight for the impeachment resolution was not yet over. The impeachment motion has dismissed the Batasan Committee on Justice, Human Rights, and Good Government on the grounds of being baseless.

According to Laurel, the impeachment motion was killed at the Batasan because the KBL [Kilusang Bagong Lipunan] was afraid of what would be revealed. [Words indistinct] he added that the case will be brought to the people who will judge and make the decision.

[Begin laurel recording] Why is it that they seem to be afraid of what is being said? [Words indistinct] Is it because they are afraid of the truth? Is it because the truth will be very damaging? That is why they strangled the resolution immediately.

However, I have this to say: The opposition is fighting every inch of the way. In fact, the people are [word indistinct] to the opposition because of their great courage [words indistinct]. They are going along with us at the Batasan. But they know that they are against the wall. We will fight every inch now. That is not the end. After that, we will continue the fight, along with the people. We are asking the people to judge. [Words indistinct] [end recording]

CSO: 4211/83

PHILIPPINES

DIOKNO, ANTINUKE GROUP ON 6 AUG ACTIVITIES

OW051037 Tokyo KYODO in English 1030 GMT 5 Aug 85

[Text] Manila, Aug 5, KYODO--Antinuke groups will commemorate the 40th anniversary of the atomic bombing of Hiroshima Tuesday by picketing the American Embassy in Manila to demand the removal of nuclear weapons reportedly stored in two U.S. military bases in the Philippines.

"Even as the world pays homage to the victims of the nuclear holocausts in Hiroshima and Nagasaki, the great nuclear powers of the world continue to design, develop and deploy newer and deadlier weapons...(and) the Philippines has not been spared," the antibases coalition (ABC) and the nuclear free Philippines coalition [NFPC] said in a joint statement.

Opposition leader Jose Diokno claimed the two military facilities are used to store nuclear weapons, citing a 1975 report of the "defense monitor" published by the Center of Defense Information in Washington which said that "U.S. tactical nuclear weapons are in Korea and the Philippines."

He said even armed forces Chief Gen Fabian Ver had admitted that the U.S. brings in nuclear weapons at Subic naval base and Clark airbase, both located in Luzon and reputedly the biggest American military installations outside the U.S.

The antinuke groups are also protesting the construction of the Philippines' first nuclear power plant in Morong town in Bataan Province. The plant has been the object of sabotage by communist-led guerrillas.

Rev Elmo Manapat, secretary general of the NFPC, said an antinuke motorcade will also stop at the embassies of China, Britain, France, Israel, the Soviet Union and India. He said these countries are known to have stockpiles of nuclear weapons.

Meanwhile, the Philippine-Japan Cultural Institute and the National Historical Institute of the Philippines will open Tuesday an exhibit of photographs of the devastation by the atomic bombs dropped over Nagasaki and Hiroshima.

CSO: 4200/1321

PHILIPPINES

ONGPIN ON PRC INTENT TO INCREASE MANILA IMPORTS

HK300221 Manila BUSINESS DAY in English 29 Jul 85 p 3

[Text] China is interested in buying a wider range of Philippine products to correct its trade imbalance with the Philippines, Trade and Industry Minister Roberto V. Ongpin reported last week.

Ongpin, who headed a high-level Philippine trade mission to China last week said "Important progress has been made in balancing the trade between the Philippines and China."

The other members of the Philippine trade mission were: deputy trade and industry minister Joselt Leviste, Philippine International Trading Corp (PITC) president Jaime Gonzalez, Philippine Phosphate Fertilizer Corp (Philphos) president Miguel Zosa, Development Bank of the Philippines (DBP) governor Jose Tengco Jr and National Development Co (NDC) assistant general manager Vinnie James Yu.

Trade between the Philippines and China has always been in favor of the latter because of substantial Philippine purchases of Shengli crude oil from China. The Philippines buys some 12,000 barrels of Chinese oil daily.

Ongpin said China's Foreign Economic Relations and Trade Minister Zheng Tuobin, who hosted the Philippine mission, was very cooperative in finding solutions to correct the trade imbalance.

Ongpin said specific discussions were held on the following items:

--Phosphatic fertilizer: With the startup of full operations of the Philphos fertilizer complex, there will be 400,000 tons of phosphatic fertilizer that can be exported to China yearly.

Ongpin said Zheng directed Sinochem, the Chinese government import and export corporation in charge of fertilizer, to maximize fertilizer purchases from the Philippines. China imports 1.2 million tons of phosphatic fertilizer yearly.

--Bananas: The Philippines has already sold 10,000 tons of bananas to China. A purchase agreement for another 10,000 tons of bananas was signed during the visit.

The Philippines is seriously looking into the Chinese market because of its huge potentials. Because of its size, China may later equal Japan as a market of Philippine bananas.

Ongpin said the other export products of interest to the Chinese which were discussed during the visit include: mangoes, chromite, ferro-alloys, plywood, lumber and coconut oil.

He said discussions were held with various state-owned trading corporations in China for the sale of idle manufacturing capacities in the Philippines such as sugar mills, coconut mills, and the long fiber pulp mill of Cellophil Resources corp.

Ongpin said he also discussed with the China International Trust and Investment Corp (CITIC), the Chinese government agency handling overseas investments, the prospects of the copper mining and wood processing industries in the Philippines.

While China has indicated keen interest in the Philippine offers, there is no specific commitment yet, Ongpin said. He said China will be sending technical teams shortly to follow up the discussions and to investigate the possibilities.

CSO: 4200/1314

PHILIPPINES

PAPER REVIEWS 'POSTURING' ON BASES ISSUE

HK301523 Manila BUSINESS DAY in English 30 Jul 85 pp 5, 15

[Article by Marites Danguilan-Vitug]

[Text] Marcos government "posturing" on the military bases agreement with the United States may have paid off with the U.S. Senate and Congress reaching a compromise last week on economic and military aid to the country.

A Western diplomat told BUSINESS DAY the U.S. Congress would have concluded that a hefty cut in military aid "did not make any difference" if the Philippine government did not react as it did. "Posturing is diplomatically and politically acceptable," he pointed out.

But, he explained, the U.S. State Department has maintained its position on the need for military aid to the Philippines in their discussions with Congress. The local debate on the aid mix merely added "color and emotion" to the issue, he said.

A U.S. House of Representatives conference committee has agreed on \$50 million grant assistance, \$20 million foreign military sales credits (FMS) and \$110 million economic support fund (ESF).

Earlier, the U.S. House of Representatives passed a resolution recommending \$155 million in economic assistance and \$25 million in military grants.

In response, Defense Minister Juan Ponce Enrile introduced a resolution in the Batasan calling for an abrogation and renegotiation of the bases agreement. The Enrile move was seen locally as an "empty threat." KBL MP Arturo Pacificador's subsequent resolution to conduct a "full study" of the agreement and [Republic of Philippines] RP-U.S. relations is viewed as an attempt to gain leverage when negotiating with the U.S. government.

The U.S. government, however, appeared to have been taken in by what one oppositionist calls the "barking" of key KBL officials. Ambassador Stephen Bosworth, in a recent speech before the Manila Rotary Club,

assuaged the local anxiety about the aid mix saying the U.S. government would fulfill its part of the agreement.

"A deal is a deal," Bosworth stressed in yesterday's breakfast meeting with reporters at the Manila Hotel.

University of the Philippines [UP] political science professor Ed Garcia said Enrile's and other government officials' moves sent signals to the U.S. Senate to support them since Congress seemed unsympathetic to the Marcos government. Garcia added that the KBL wanted to show the U.S. government they could "hit back and not allow themselves to be simply pushed over..."

"They (Enrile and company) wanted to make the U.S. Senate think twice about cutting military aid," Carol Hernandez, chairman of the UP political science department, pointed out.

Mariano Miranda, Nationalist Alliance official, observed that Enrile's strong reaction was prompted by an equally strong move on the part of Solarz "but not because of any sincere objective to dismantle the bases."

What is significant, however, in the compromise reached by the U.S. Senate and Congress, is the increase in military grant or the MAP from \$25 million in 1981 to \$50 million for 1986. No such grant was given between 1982 and 1984 because of the "very tight U. S. budget."

Observers say this was a form of assurance to the Marcos government of U.S. support for the counterinsurgency program. It is also seen as a move to have tighter control over the use of the military grant.

The Philippine government does not have to repay grant assistance money but the use of such funds is directly under the supervision of the American government. Compared to the FMS, the MAP involves more U.S. government participation, the diplomat said.

Observers think this move is a result of reported anomalies in the purchase of military equipment under an FMS contract, particularly the Armed Forces deal with Amworld, an American trading firm.

It was reported that \$6 million paid to Anworld under a \$35 million contract was suspected to have been diverted to some Philippine military officials.

This may have prompted the U.S. Senate and Congress to increase the MAP rather than the FMS, observers said.

However, in all the discussions on the military bases agreement, the issue of sovereignty was never touched, formed Senator Jovito Salonga said. He also said no complaint has been heard from the government against the U.S.'s bringing in nuclear missiles to the bases.

"The KBL assertion (on U.S. interference) is strained and belated. Having assured the U.S. unhampered operations of its forces in the Philippines, it was too late for Marcos and the KBL to talk about interference," Sabonga pointed out.

Similarly, Labor Minister Blas Ople said that focus should be directed on 1991, the year the agreement expires, rather than on "incremental changes to rectify inequalities in RP-U.S. relations."

The Nationlist Alliance sees the U.S. Congress amendment in the aid mix as mere "irritants in the RP-U.S. ties but shows the U.S. is "essentially supportive" of Marcos: "This should not be taken as a rift between Marcos and the U.S. At best, this is an indication of minor conflicts."

CSO: 4200/1314

PHILIPPINES

CONTROL OF POLICE PUT UNDER PRESIDENT'S OFFICE

HK251441 Manila BULLETIN TODAY in English 25 Jul 85 pp 1, 10

[Text] All units of the Integrated National Police (INP) throughout the country are now under the administrative control and supervision of the National Police Commission (Napolcom).

This is provided in Executive Order No 1040 signed by President Marcos last 10 July, copies of which were presented to newsmen yesterday by the Napolcom during their newsmen's meeting and election of officers.

The order, which also transferred the Napolcom from the Ministry of National Defense to the Office of the President, superseded Executive Order No. 1012 which transferred to the city and municipal governments "operational, supervision and direction over all units of the INP."

The new order said that the transfer is in "furtherance of the constitutional mandate for the integration of the INP."

Because "there is no existing organization with the Office of the President to assist in the exercise of the power of administrative control and supervision over all INP units," the order said, "It thus becomes necessary to return the National Policy Commission to the Office of the President to serve as the Presidential arm in all matters affecting the INP."

The order provided that "all such appropriations for the INP for the current year as may be necessary to implement this Executive Order shall be transferred to the National Police Commission after consultation among the chairman of the National Police Commission, the director-general of the Integrated National Police, the Minister of the budget, and all other agencies concerned."

CSO: 4200/1314

PHILIPPINES

MILITARY SETS UP TASK FORCE IN TAPAWAN

HK261505 Manila BULLETIN TODAY in English 26 Jul 85 p 12

[Text] The Armed Forces' Western Command (Wescom) in Palawan has formed task force "spectrum" to prevent infiltration of the province by the Communist Party of the Philippines and its military arm, the New People's Army.

The formation of the military unit was disclosed yesterday by Deputy Defense Minister for Civil Relations Carlos B. Cajelo who just arrived from Puerto Princesa City where he spoke during the graduation ceremonies of 68 officers, enlisted men, and civilians who finished a 15-day course in civil-military operations.

Cajelo said he was informed by Wescom chief, Commo. Ismael Aparri, that task force "Ppectrum" will operate mainly under the concept of civil-military operations and upholding civilian lead role in the counter-insurgency drive.

In a briefing to Cajelo, Palawan Gov. Salvador Socrates noted the heavy migration of families from the Visayas and Mindanao, saying this might pose a threat to the economy and security of the province.

Socrates said 40 to 50 families arrive every week and some of them may be insurgents escaping from military operations in the South.

Cajelo stressed that counter-insurgency is basically a civilian function. He called on local officials to take an active lead role in the campaign with the military only in the background.

CSO: 4200/1314

PHILIPPINES

RAMOS REASSURES MEDIA MEMBERS ON PROTECTION

Firearms Permits Promised

HK311505 Manila BULLETIN TODAY in English 31 July 85 p 10

[Excerpt] Camp Aguinaldo, Quezon City--AFP [Armed Forces of the Philippines] acting chief of staff Lt. Gen. Fidel V. Ramos assured provincial scribes full military protection and the issuance of firearms to legitimate members of the media whose lives are under threat as a result of the legitimate practice of their journalistic profession.

Ramos said members of the media will be provided armed security escorts if the situation so warrants it. Some requirements for the permit to carry firearms outside residence by members of the media who receive threats to their lives will be waived in order to facilitate issuance of the permit, he said.

General Ramos hosted a luncheon in honor of provincial press clubs presidents, editors, columnists, print and radio and television reporters from the four regions in Mindanao, Bicol region and national dailies. The luncheon was held at the new AFP Officers Club inside this military camp.

General Ramos said that it is unfortunate that the good image of the great majority of the Armed Forces acquired through the sweat and tears and blood is sometimes tarnished by a few scalawags in uniform.

"These scalawags in the military, just like the New People's Army (NPA), are the real adversaries of the AFP and they are our principal targets," Ramos said.

Not Military Targets

HK291227 Quezon City Maharlika Broadcasting System in English 1000
GMT 29 Jul 85

[Text] Acting armed forces Chief Fidel Ramos today allayed fears expressed by some members of the media that journalists are targets of the military. Ramos made the assurance during a dialogue with members of the Federation of Provincial Press Clubs of the Philippines who called on him at Camp Aguinaldo.

PHILIPPINES

MISUSE OF JAPANESE LOANS REPORTED

HK201133 Quezon City ANG PAHAYAGANG MALAYA in English 18 Jul 85 pp 1, 6

[Article by Erwin Tulfo]

[Text] Several billion yen in aid which the Japanese government extended to the Philippines remain unaccounted for, disclosed Sen Yutaka Shitoma, head of the three-man Japanese mission before their departure yesterday to Japan.

During a press conference at the National Press Club, Shitoma also said the Philippine government has failed to submit accomplishment reports on the projects which were supposed to have been funded by the said loans.

He said the Philippine government will be held responsible for the use and disbursement of the different loans.

Apprised of the mission's findings, Nationalist Alliance for Justice, Freedom and Democracy (NAJFD) recommended that the Japanese government stop extending loans and aid to the Marcos regime.

The NAJFD also asked that a system be set up to monitor and exchange information relevant to the Philippine-Japan relations.

Shitoma failed to give figures on the actual amount that the Philippine government failed to account for.

Citing results of their surveys and interviews during their visit here, he said, however, apparently only a small portion of the aid was pumped into intended projects.

"We went to projects they said were funded by Japanese loans. But we really could not tell if the projects were welcomed by the people and if our loans were really used for these," he said.

"We believe a substantial amount of these loans were not channeled to its actual usage and some of the money has not yet been spent," he also said.

Shitoma said the Philippine government might have made its own accounting and auditing, but failed to show them to Japan.

Shitoma cited 55 billion yen borrowed by the Philippine government in 1982 as being unaccounted for.

He said the Philippine government assured Japan that 9.9 billion yen of the loan will be spent for a power station in Leyte; 8.3 billion yen for the construction of the Western and northwestern road of Leyte; 4.6 billion yen for a new irrigation system in Bohol; 4.5 billion yen for inspection and repair of the PNR [Philippine National Railways] railway; 1.1 billion yen for the flood control system in Metro Manila; 200 million yen for the development of Port of Irene in Leyte and 7 billion yen for the steel mill development also in Leyte.

The NAJFD also recommended to the Japanese mission the establishment of the solidarity relations between the NA-BAYAN [Nationalist Alliance-Ang Bagong Alyansang Makabayan (New Nationalist Alliance)] and Japanese Socialist Party (JSP) be mutually pursued.

They also asked that the finding of the mission be popularized among the Japanese public and aid particularly the people's economic poverty, violations of human rights and harmful effects of Japanese loans to the Filipino people.

The Japanese mission said 417.3 billion yen have been given to the Philippines from 1952 up to the present.

The mission arrived in the country last week to investigate the effect or the impact of the Japanese economic assistance on the Philippine economy, society and politics.

CSO: 4200/1314

PHILIPPINES

PAMPANGA NPA REPORTEDLY AIDED BY LOCALS

HK291157 Quezon City ANG PAHAYANGANG MALAYA in English 19 Jul 85 p 9

[Article by Elmer G. Cato]

[Excerpt] San Fernando, Pampanga--The dissident movement in Pampanga is receiving regular support from at least 500 individuals in the province, Lt. Col. Reynaldo Berroya, Pampanga provincial PC commander, told MALAYA in an exclusive interview.

Berroya said the names of the local "financiers" of the local arm of the New People's Army are contained in a classified document captured by government troopers during a clash two months ago.

He said that the list includes the names of wealthy provincial residents, including Chinese businessmen, fishpond operators, landowners, and even teachers and farmers.

The documents alleged that the contributions range from P [pesos] 100 to P5,000 monthly.

Berroya, who did not name the alleged financiers, said that those included in the list would be invited to Camp Olivas for questioning.

He said that the documents were seized last 23 April after troopers engaged a five-man NPA band in San Mateo, Arayat town, some 300 kilometers east of here.

Voluminous subversive materials, two high-powered rifles, and some personal belongings were allegedly recovered from three rebels believed killed in the brief firefight.

Other documents, Berroya said, include vital rebel troop movements, potential Sparrow targets, financial reports, and instructions supportive of mass actions in different parts of the province.

The Sparrow Unit is the liquidation squad of the NPA.

Berroya also disclosed the existence of section party committees backed by NPA units operating in the eastern Pampagna zone.

In Arayat town alone, military authorities said that the Communist Party of the Philippines (CPP) has established key organs of political power including two party branches in 18 of the town's 30 barangays.

Six barangays are said to be already consolidated and another 18 targeted for expansion.

The rebels have also recruited a significant number of mass activists, Berroya said.

The 23 April encounter was the second clash reported so far this year. A 7-minute firefight which netted several jungle pac and other rebel documents ensued in the same area 10 days earlier.

Berroya at the same time said that the insurgency situation in the province is very well under control, attributing the success of the military's counter-dissidence campaign to its extensive intelligence network.

CSO: 4200/1314

PHILIPPINES

BAYAN ALLIANCE ISSUES MANIFESTO

HK300323 Quezon City ANG PAHAYAGANG MALAYA in English 22 Jul 85 p 3

[Advertisement]

[Text] Bagong Alyansang Makabayan [New Nationalist Alliance] Manifesto

We, representatives of the Bagong Alyansang Makabayan (Bayan), vehemently condemn the blatant, brutal conspiracy of terrorism mounted by the U.S.-backed Marcos regime against the Filipino people. Part of this campaign is the regime's intensifying attacks on Bayan leaders and member-organizations.

In less than three months, the Marcos government, through its military arm, has arrested and detained, summarily executed and kidnapped scores of Bayan leaders and members in the provinces.

Lawyers Laurente Ilagan, Bayan Vice-President for Mindanao, Antonio Arellano, Bayan-Mindanao Secretary-general and Marcos Risonar, Jr of the Nationalist Alliance for Justice, Freedom and Democracy were unlawfully arrested on 6 May, on the basis of Preventive Detention Action [PDA] orders which have never been shown them. They continue to languish in jail despite a Supreme Court ruling for their release over a month ago.

Civil rights lawyers and Bayan organizers, Romeo Astudillo and Alfredo Benesa of Abra were also apprehended in May, pursuant to PDA orders, and remain imprisoned to this day in Camp Juan Villamor, Abra.

Bayan official and lawyer Crisostomo Cailing was shot dead in his Misamis Oriental residence last 6 July, and a day later, four more lawyers and members of Bayan were reported to have been included in shoot-to-kill orders of the military.

Killed almost simultaneously with Cailing was Fernando Torralba, a community youth leader of Davao.

Fr. Rudy Romano, Bayan vice-president for the Visayas and student leader Rolan Ybanez were kidnapped in Cebu City last 11 July. To date, they remain missing despite intensive efforts made by churchpeople and various organizations.

On 16 July, 21 members of the League of Filipino Students were picked up in Toril, Davao City and detained at Tgtlxyeoth PC [Philippine Constabulary] Headquarters. Within the first two weeks of July, also, 17 people of Bataan were arrested for participating in the province-wide Welgang Bayan [national strike] last 18-20 June.

And the Marcos regime has resurrected even more stridently the Communist bogey to provide justification for what is turning out to be a systematic campaign of repression against Bayan. For one, Defense Minister Juan ponce Enrile branded Bayan as a front organization of the Communist Party of the Philippines in a speech before a group of Harvard alumni last 20 June. This, Bayan vehemently denies and denounces as a baseless and malicious attempt to discredit Bayan.

The truth of the matter is that more Filipinos now see the urgency of organizing themselves, and in unity, fight the U.S.-backed Marcos dictatorship, particularly at a time when the national economic situation is becoming worse in all its aspects. Hence, the flourishing of organizations everywhere, with Bayan standing as the most concentrated expression of the people's outrage against government abuse of power and the enormous investments abroad by Mr Marcos, his top officials, cronies and relatives.

It is not surprising then, that the regime has invariably employed its mailed-fist policy especially towards Bayan. This policy of repression is aimed at preventing our people from joining and strengthening Bayan.

Violence in the picketlines and urban poor communities; more repressive laws for the workers, students and the people, in general; revival of the Metrocom [Metro politan Command] special operations forces, erstwhile called the "secret marshals"; the arming of barangay tanods [guards]; militarization--hamletting, zoning, burning of entire barrios--in the countryside; widespread killings and massive arrests and detention; and the regime's terroristic assaults on Bayan members and officials--all these constitute a scheme to sow fear among the people, to cripple and crush the raging protest movement.

But the regime's terrorism campaign can only lead to the U.S.-Marcos dictatorship's own undoing. For the more repressive and oppressive measures are adopted, the more the people are determined to resist the government.

For supporting Mr Marcos and his government by supplying arms, money, war material and military advice, our people cannot but consider the U.S. government as a party to the continuation of our suffering.

We in Bayan call on the Filipino people to actively resist the mounting terror scheme of the repressive U.S.-backed Marcos dictatorship.

Free the detained leaders and members of Bayan and all political prisoners!

Produce Fr. Rudy Romano and Rolan Ybanez!
Justice to all victims of repression and terrorism!
Fight for freedom and democracy!
Dismantle the U.S.-backed Marcos dictatorship!

For the 500 member-organizations of Bayan, the National Executive Committee:

[signed]

Sen. Lorenzo Tanada
Chairman

Sen. Ambrosio Padilla
Vice-chairman

Atty. Rolando Olalia
Acting President

Atty. Jose Suarez
Vice-President Northern and
Central Luzon

Firmo Tripon
Vice-President
Metro Manila

Atty. Wigberto Tanada
Vice-President
Southern Luzon

Missing
Fr. Rudy Romano
Vice-President
Visayas

Detained
Atty. Laurente Ilagan
Vice-President
Mindanao

Leandro Alejandro
Secretary-General

Tirso Santillan
Deputy Secretary-General

Loretta Ann Rosales

[signed Letu P. Villos]

Directors
Popular Struggles and
People's Welfare Commission
(PSPWC)

For: Oscar Francisco
Director
PSPWC

Jose Virgilio Bautista
Director
Electoral Struggles Commission

Sr Mariani Dimaranan
Director
International Relations Commission
(IRC)

Alexander Padilla
Director
IRC

Jun Miranda
Director
EPC

Nelia Sancho-Liao
Director

Felicisimo Patayan
Director
Economic Planning Commission (EPC)

Joaquin Roces
Director

Behn Cervantes
Director

CSO: 4200/1314

PHILIPPINES

BRIEFS

CEBU MARCH FOR DETAINED PRIEST--In Cebu City, a protest march was held yesterday [28 July] against the alleged military abduction and detention of Catholic priest Rudy Romano. The marchers were prevented from getting near the military headquarters in Cebu City by barbed wire barricades set up by soldiers. The marchers converged from various points in the city for the rally in front of the regional command headquarters. The rally was led by priests and nuns. Speakers denounced the alleged abduction of Romano, human rights violations, and called for the dismantling of the U.S.-Marcos military dictatorship. The demonstrators dispersed at sundown. Romano has been missing since July 5. He was reported abducted by five men aboard a jeep bearing a government plate number. The military command has repeatedly denied the charges and say Romano is not in custody and the alleged abduction is a plot by the NPA. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 28 Jul 85 HK]

NEWSMAN APPOINTED TO MEDIA POST--President Marcos appointed Amante Bigornia deputy director general of the Office of Media Affairs with the rank of deputy minister. Bigornia had been the assistant press secretary of the presidential press staff in 1975. With his appointment, Bigornia becomes only deputy to Information Minister Gregorio Cendana. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 30 Jul 85 HK]

TEN REBELS KILLED--Six rebels were killed during separate attacks by the military in Samar this past week. The full report from Elvisa Pineda of the Philippine Army: [Begin recording] Army Chief Major General Josephus Ramas received a report that the 52d Infantry Battalion encountered a band of rebels at Barangay Happy Valley and engaged in a 30-minute gunbattle. Two terrorists were killed and the troops confiscated 4 shotguns. The dead rebels were identified as Roberto (Medyab), alias Commander Eddie, and (Roger Dapas). In Barangay San Roque, four NPA men were killed by troops of the 43d Infantry Battalion during a battle inside [words indistinct]. [Text] [Manila Far East Broadcasting Company in English 1000 GMT 2 Aug 85 HK]

NPA ENCOUNTERS--An NPA commander and four others were killed in a 45-minute battle in Barangay Makapabenlag in Guimba, Nueva Ecija, yesterday [4 August] afternoon. The slain NPA commander was identified by the PC [Philippine Constabulary] as Bepong Francisco, alias Ka (Clyde) of Talavera, Nueva Ecija. The other rebels killed were identified only as Rolly, (Ging), Bing, and Emar Corpus. The PC said the NPA group, led by Francisco, was about to hold a

meeting when the PC team, led by Captain (Diongracio) Villegas, struck. In Benguet and Abra, PC troops captured three ranking NPA leaders in two simultaneous operations. Regional Unified Command Chief Brigadier General Tomas Dumpit also reported the surrender of 2 NPA commanders and 11 of their subordinates, also in Benguet. One of those captured was identified as Dugaw Likawin, alias Ka Singgad. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 4 Aug 85 HK]

CSO: 4200/1321

SINGAPORE

VOMD CRITICIZES SINGAPORE'S LEE KUAN YEW DEMOCRACY

BK121704 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 12 Aug 85

["Short Commentary": Lee Kuan Yew Regime's Democracy in Banning a May Day Public Rally"]

[Text] In April this year, Jeyaratnam, the secretary general of the Singapore Workers' Union, lodged a protest over the government's rejection of the union's application to hold a May Day rally. He considered that the People's Action Party [PAP] government was not keeping its promise. The issue to be discussed at the May Day rally was the idea that Singaporeans should be allowed to find their own values instead of having values forced on them by the government.

All this while, the Lee Kuan Yew Government has been praising itself sky-high for being a very democratic government and for the fact that the people of Singapore are considered lucky to be given the freedom to lead an independent way of life in an independent and democratic country. The result of the last general elections at the end of last year showed a decline in the regime's power and the regime has resorted to various tricks touching on democracy in an effort to woo and win the hearts of the voters. For example, a unit carried out a public opinion poll and also said that the people were allowed to carry out open discussions concerning any issue, including the freedom to discuss the government policy and so on. In truth, all this while the dictator, Lee Kuan Yew, has been determined to hush the people's opinions. Under his power, the people have lost their basic human and democratic rights.

Look at what happened to an opposition party that complied with government regulations to apply to the board of criminal investigations' licensing unit of public entertainment to hold a May Day rally: The application was rejected. Where, then, is the people's freedom to gather? This action shows that Singaporeans do not have the right to speak, publish, hold rallies, or form unions. Whosoever dares to go against the government policies sooner or later faces government action and is liable to be detained, face long-term imprisonment, be exiled, or face restriction under the Internal Security Act. Moreover, all this while the Singapore regime has been collaborating with its Kuala Lumpur counterpart on the Internal Security Act in the name of countering what are called subversive activities. Together they face with fierce and cruel actions all those people who oppose their reactionary power. The freedom to believe and to think and other basic rights have all been usurped by them.

The PAP Government has forced the people to live in areas against their wishes and desires for a comfortable life. The people have also been denied the freedom of choice in the fields of education and employment. The workers' right to strike, hold rallies, and so on have all been usurped according to the whims and fancies of the Lee Kuan Yew regime. As a result of these harsh actions, a large number of the country's youths who desire to achieve a better and more successful life have gone abroad. How can the people be blamed for strongly opposing these policies when the cruel and undemocratic Lee Kuan Yew regime grabbed all their basic human rights?

CSO: 4200/1383

SINGAPORE

MINISTER ON STRONGER RESPONSE TO OPPOSITION

BK141131 Singapore THE STRAITS TIMES in English 14 Aug 85 p 16

[Letter by S. Rajaratnam, senior minister of the Prime Minister's Office, printed on the "Forum" page]

[Text] It is possible, having read the comments of Mr Edgar Koh (ST, [THE STRAITS TIMES] 4 August), of Mr Sang Cun (Lian He Wan Bao, 1 August) and of the editorial writers of THE STRAITS TIMES (30 July) and BERITA HARIAN (31 July) that I have lost my old cunning for chiselling telling tongue-in-cheek asides to spice my long discourses.

My tongue-in-cheek advocacy of knuckle-duster politics has clearly misfired. It has alarmed some of my younger parliamentary colleagues while leaving the two opposition MPs completely unruffled, when the converse should have been the case.

The knuckle-duster imagery was intended to be literary licence. My reference to "rubber" knuckle-dusters should have made clear that a literary device was being resorted to because, in reality, knuckle-dusters are forged out of brass.

Unfortunately, this imagery (lasting less than 10 seconds in a 3,600-second discourse) was lost sight of and mistaken for the real thing. Consequently, the rest of my discourse lasting some 3,590 seconds was totally ignored when in fact it was a lengthy demonstration of what I mean by knuckle-duster politics.

First, my speech was not an argument that younger People's Action Party [PAP] leaders should change their new political style. On the contrary, I commended them quite a few times for their "freer and more relaxed kind of politics" and noted specifically that they had "quite wisely not tried to mimic the style and demeanour of the Old Guard."

I further noted that this new style has resulted in more open politicisation of the public; in the flowering of free, frank and, on the whole, sincere criticism.

Unfortunately, all this was lost sight of in the breathless pursuit of a rubber knuckle-duster hare about as substantial as the grin of Alice's Cheshire cat.

What I advocated was not change of style but in addition, a more forceful response to what I described as growing resort by the two opposition MPs to karung-guni politics.

Of course, many of my younger colleagues have in fact, prior to my exhortation, been responding vigorously to ill-informed criticism by the opposition. My exhortation was really directed to those younger parliamentarians whose existence Mr Koh was perceptive enough to have detected and which was boxed in bold type in his article of 4 August. He said: "If the younger PAP leaders have been less devastating to the opposition, it is because they could ill-afford to be, given the new political mood."

The new "political mood" was noted in somewhat different language in THE STRAITS TIMES editorial of 30 July when it said: "In fact, some people are so convinced about the need to have dissenting noises in the house that they have two sets of standards, a higher one for the government and another for the opposition. While the government is expected as a matter of rule to meet strict standards, people seem to be more forgiving towards the opposition.

"Never mind if the two opposition MPs miss the real issues and make impractical or even inane suggestions at times, they ought to be given a fair chance to speak their minds. This seems to be the prevailing mood.

"Against this backdrop, it would be foolhardy for any political party to refuse to acknowledge the changing tide and adapt its style and policies."

I refuse to acknowledge that it would be "foolhardy" or concede that the government should float with such a tide.

Like Mr Koh and THE STRAITS TIMES' editorial writer, I too had been aware for some time that there has been a feeling among a section of the population that the primary responsibility of the two opposition MPs is to hammer the government mercilessly, with or without justification.

It does not matter, as the editorial says, whether the bashing of government is administered wisely or justly. All that the prevailing mood requires is that the opposition be given a "fair chance" to beat the government to a pulp.

If the beating was unwarranted, the prevailing mood is to forgive the opposition simply because this strata of opinion enjoys the sight of the government being given a sound thrashing. The opposition is there to provide political blood sport.

However, as the editorial writer observes, a higher standard is expected of government is responding to such a thrashing. It should not give as good as it gets. This is the thesis I questioned in my speech and which THE STRAITS TIMES boxed in black type but which unfortunately went unnoticed because everyone was busy chasing rubber knuckle-dusters.

The prevailing mood among this minority is that the government should bow meekly and passively before an opposition onslaught. As THE STRAITS TIMES' editorial notes: "It would be foolhardy for any political party not to acknowledge the changing tide."

Or as Mr Koh observes, younger PAP leaders cannot be equally devastating in their response to opposition onslaughts "because they could ill-afford to be given the new political mood."

The new mood presumably demands that PAP MPs should slink away with their tails between their legs before opposition whippings.

The two opposition MPs, to judge by their increasing stridency, are also of the view that any vigorous response on the part of the government MPs would be contrary to prevailing mood and that the more they batter the government, the more their popularity increases.

So the purpose of my speech was first to question how pervasive this "hammer-the-government: mood was and, to the extent it existed, whether government and people should placate it or change it.

The new role of the opposition as official tormenter of the government and nothing more struck me as perversion of democracy and hence my hard-hitting speech. I had always believed that democracy had to do with good government.

The other aim was to prevent people, including PAP MPs, from gradually drifting towards an acceptance of the thesis that they could "ill-afford" to stand up to the opposition MPs because of a "new political mood."

If such a mood exists at all then it is the responsibility of a self-respecting government to change it. The PAP government had done so in the past and it can do so again.

This is all the more necessary because as Singapore, together with other nations, runs into rough economic weather the two opposition MPs will grow more reckless in their criticisms; in their efforts to spread confusion. To succumb to the alleged "prevailing mood" is to invite certain disaster for Singapore.

If you disregard my unfortunate literary licence about rubber knuckle dusters and reread by speech it is, I believe, a plea for same standards of political conduct and debate for government and opposition--no more no less. Parliament is a forum for well informed and responsible debate-- not a bull-ring for a strutting matador to draw blood from a bull whose power to retaliate has been severely curtailed.

Since I have a weakness for allegories from the animal world, may I sum up my position by referring to this news item from Beijing which appeared in THE STRAITS TIMES (3 August):

"Five of the nine orangutans in Beijing zoo have tuberculosis after being bombarded with rubbish, fruit peelings and spittle by visitors, an official newspaper reported CHINA YOUTH NEWS said... One orangutan 'counterattacked' by throwing stones at its tormenters--and the paper applauded the animal for getting its revenge."

If the orangutan deserves to be applauded for retaliating against those that bombarded it with rubbish, surely my advocacy that PAP MPs be accorded the same right deserves equal applause. [Signed] S. Rajaratnam, Senior Minister (Prime Minister's Office)

THAILAND

ARTICLE ON EFFECT OF PROPOSED U.S. TEXTILE LAW

BK291539 Bangkok Domestic Service in Thai 0530 GMT 29 Jul 85

[Article: "Further of Thai Textile Industry"]

[Text] Listeners, clothing, in addition to food, shelter, and medicine are essential for people. Clothing has become one of the country's largest industries. The Thai textile industry has developed greatly. This is evident everywhere we visit in the country, in department stores as well as street stalls. Textile exports have also become a major income earner and play an important part in the country's economy. There are now about 230 textile factories, about 30 of which are large ones. There are about 600 garment factories. About 600,000 families are supported by the textile and garment industry. The value of Thai textile exports has increased dramatically in the past 5 years, from 9.6 billion baht in 1980 to 19,155 million baht in 1984. The textile industry is the country's fifth largest income earner, while some reports say it ranks second only to rice exports. In any event, the textile industry earns great income for the country, no less than other industries.

Listeners, nothing is certain in international trade--it shifts with world situations. We appear to face problems in exporting our textile products to the United States. Many economic analysts reason that huge U.S. trade deficits--\$123 billion last year and anticipated \$140 billion this year--and pressure from traditional U.S. industries due to production and investment decreases have resulted in additional forms of trade protectionism by the United States. In particular, the news which shakes the Thai textile industry is the U.S. consideration of a bill to limit textile imports from Thailand and other Asian countries. The implementation of the bill will cut Thai textile exports to the United States by 64 percent--from over 8 billion baht annually to only about 3 billion baht. Because the United States is a major market for Thai textiles, Thai textile producers cannot help but be frightened by this reduction.

The 1985 U.S. textile and apparel bill is intended to limit the import of foreign products, thereby protecting local industry. The U.S. Government reportedly disagrees with the bill but it appears that it is powerless to do anything because the House of Representatives is in charge of it.

In connection with this economic issue, the Thai Government, private sector, and even the parliament have taken actions regarding the U.S. bill. Many groups proposed measures to try and block the bill, lest the Thai textile industry be gravely affected, with repercussions on those employed by the industry. Among the measures proposed is that the government quickly launch diplomatic and international political measures to encourage the United States to temporarily block the bill. The Thai Government has already acted on this. During the recent visit of the U.S. Secretary of State and his delegation, ways in which the United States may ease the bill's conditions were discussed.

We can only wait and see how successful this will be. Meanwhile, it is a pleasure to note that General Kriangsak Chamanan, chairman of the House Foreign Affairs Commission, has invited representatives of the House Economic Commission, the private sector, the government, and the circles concerned for consultations to mobilize ideas to try and block the U.S. bill, such as sending a letter on behalf of the House Foreign Affairs Commission appealing for sympathy from the U.S. Congress to block the bill.

Listeners, trade protectionism has now become a major obstacle to international trade and basically is a reaction to the foreign trade deficit. The United States has been a country with a strong economy but it is now facing some severe economic problems and suffering from a huge foreign trade deficit. Thailand is a small developing country which must depend a great deal on exports. It is affected by all sorts of problem. Listeners, what is going to happen will happen. Once it happens remedies must be sought. This is the case with the textile industry. Every circle in the country is following the problem closely and is trying in every way to gain relaxation of the U.S. bill, primarily in the interest of the country's economy.

CSO: 4207/266

THAILAND

DAILY URGES POLICY ADJUSTMENT TO PROTECT TRADE

BK260624 Bangkok THAI RAT in Thai 26 Jul 85 p 3

[Editorial: "Thailand and Extile Products"]

[Text] The U.S. Congress will soon debate the bill on textile and apparel imports, or the so-called Jenkins bill. Basically, the bill is aimed at protecting the U.S. textile industry from competition by imported products. If the bill becomes law, the Thai textile industry as well as employees of the industry will be gravely affected.

Quotas for Thai textile imports to the United States already existed in accordance with previous agreements. In addition to this, the United States also collects extra countervailing duties on Thai textile exports, claiming that the Thai Government subsidizes the textile export industry by giving electricity rate discounts and remitting part of duties collected.

The textile industry earns no less than 30 billion baht for Thailand annually. In 1983 the industry earned 28 billion baht, and the U.S. market accounted for 40 percent of the overall textile export.

Now that the United States wants to enact a law to discriminate further against our textile products after having already imposed various forms of portection-ist measures, the united States, which we long regarded as our great ally, is showing its real nature and attitude. We always looked to the U.S. economy, politics, and even foreign policy as our model. The learning of the true nature and attitude of the country which we mistakenly regarded as our ally is not going to alleviate the acts of protectionism against our textile, shoe, and steel pipe exports to the United States. Only by adjusting our foreign policy so that we will not be at a disadvantage can this be achieved.

The United States is our major trading partner after Japan and the EEC countries, and we have suffered continued trade deficits with it, not to mention the unfair U.S. trade practices against us. We will continue to be at a disadvantage if we do not readjust our foreign policy, arrange negotiations, and at the same time seek new markets. We could even lose our economic independence.

CSO: 4207/266

THAILAND

BRIEFS

FIVE-MONTH RICE EXPORTS--According to the Board of Trade, from January to May 1985, Thailand exported 2 million metric tons of rice, worth about 12 billion baht. Major rice buyers were: Nigeria, which bought 286,648 metric tons; Malaysia, which bought 241,455 metric tons; the Soviet Union, which bought 143,884 metric tons; Singapore, which bought 94,652 metric tons; Madagascar, which bought 89,652 metric tons, the Netherlands, which bought 82,922 metric tons; and Italy, which bought 80,057 metric tons. [Summary] [Bangkok Voice of Free Asia in Thai 1030 GMT 31 Jul 85 BK]

RUMORS OF COUP D'ETAT--House Speaker Uthai Phimchaichon told reporters at Thepsirin Temple on the night of 2 August that the news about a House dissolution is only a speculation, adding that such rumor was spread once after the last general elections. He, therefore, called on people not to be misled by such rumor. Asked about some soldiers' remark that there would be a coup d'etat if the House was dissolved, he said the persons who said this do not have the power to dissolve the House, adding that only the prime minister has the authority to do so. He continued that staging a coup is a violation of the law and those who spread the rumor about a coup also violate the law. So he warned them to be careful about their words. [Text] [Bangkok NAEON in Thai 3 Aug 85 p 2 BK]

KUWAITI, PRC ENVOYS RECEIVED--At 1400 today at Government House, Thawiphan Singha, director general of the Foreign Ministry's Protocol Department, accompanied 'Abd al-Muhsin Nasir al-Ji'ani, Kuwaiti ambassador to Thailand with residence in Kuala Lumpur, Malaysia, to pay a courtesy call on Prime Minister General Prem Tinsulanon on the occasion of the completion of the ambassador's term here. The prime minister discussed with the Kuwaiti ambassador the good relations between Thailand and Kuwait, especially in trade cooperation. Both agreed that this cooperation should be further expanded. The Kuwaiti ambassador praised Thai workers in Kuwait, saying that they have good discipline and do not cause any problems for Kuwait. Later on, the director general of the Protocol Department accompanied PRC Ambassador Shen Ping to bid farewell to the prime minister. The prime minister expressed satisfaction with the bilateral relations that have proceeded smoothly and progressed quickly during the past 10 years. He also hoped that the relations would be further strengthened. Shen Ping thanked the premier for attaching much importance to Thai-Chinese relations as shown by attending the celebrations on the 10th anniversary of the establishment of diplomatic ties between the two

countries. The friendship between Thailand and China certainly has an impact on the establishment of peace in this region. [Excerpt] [Bangkok Domestic Service in Thai 1300 GMT 29 Jul 85 BK]

CSO: 4207/266

JPRS-SEA-85-133
30 August 1985

PEOPLE'S REPUBLIC OF KAMPUCHEA

MINISTRY DELEGATIONS VISIT VIETNAM WAR INVALIDS

BK291331 Phnom Penh SPK in English 1119 GMT 29 Jul 85

[Text] Phnom Penh, SPK, July 29--Delegations from various ministries have paid visits to hospitalized Vietnamese combatants in Phnom Penh on Vietnam's day of war invalids and fallen combatants (July 27).

A delegation of the Ministry of National Defence, led by Ham Kim, head of the Logistics Department, visited Vietnamese combatants at the Hospital No 116. The delegation presented gifts to them and expressed gratitude to the Vietnamese Armymen and their families for their self-abnegation for the cause of the Kampuchean revolution, particularly their sacrifices for saving the Kampuchean people from the genocide committed by the Pol Pot gang.

The delegation praised the Vietnam Volunteer Army's continued assistance to the Army and people of Kampuchea in their national construction and defence. It wished the hospitalized combatants quick recovery.

A delegation from the Health Ministry, led by Chey Kanhnhha, vice minister, visited hospitalized Vietnamese volunteers at the Pochentong Hospital. Another delegation led by Men Chhan, general secretary a.i. of the Council of State and vice chairman of the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland, also paid a visit to the Kampuchean [as received] combatants at the Hospital No 179.

Men Chhan said that the day of war invalids and fallen combatants of Vietnam is an important event for the peoples of Kampuchea and Vietnam who have a long-term tradition of struggle in the same trench against the common enemy. He wished the hospitalised combatants quick recovery.

CSO: 4200/1297

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

ARRIVAL OF INDIAN DELEGATION--Phnom Penh SPK August 3--A delegation of the Indian Centre for Studies on Indochina led by T.N. Kaul chairman, arrived in Phnom Penh this afternoon to attend a seminar on Indochinese countries and India's solidarity and cooperation to be held here on August 5, 1985. The delegation was welcomed at Pochentong airport by Dith Mouny, second vice minister for foreign affairs, and other high-ranking Kampuchean officials. Indian Charge d'Affaires D.B. Malik and Vietnamese Charge d'Affaires A.I. Nguyen Hoa were among the welcome party. [Text] [Phnom Penh SPK in English 1124 GMT 3 Aug 85 BK]

PRESCHOOL EDUCATION PROGRESS--Phnom Penh SPK August 2--Pre-school education throughout Kampuchea has shown a remarkable progress since the country was liberated from obscurantism under the barbarous regime of Pol Pot, Ieng Sary and Khieu Samphan. In the 1984-1985, school-year the country ran 500 kindergartens, and 150 creches with 1,348 classes. The number of charges were 42,947, up by 17 percent over the previous year while that of the nurses increased to 1,719. Thirty percent of the kindergartens have followed the new educational programmes in developing children's basic skills and special behavior by games, physical exercises, songs, dances, etc.... To upgrade nurses' knowledge, the educational authorities organized refresher courses and encouraged them to have regular exchange of experiences. [Text] [Phnom Penh SPK English 1127 GMT 2 Aug 85 BK]

CSO: 4200/1297

MILITARY AFFAIRS AND PUBLIC SECURITY

DEVELOPMENT OF HAI PHONG AS STRATEGIC DEFENSE UNIT DISCUSSED

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese May 85 pp 46-65

[Article by Sen Col Nguyen Truong Xuan: "Strive To Develop the Port City Into a Strategic National Defense Unit"]

[Text] On 13 May 1985 the last French soldier to leave the city of Hai Phong was also the last French soldier to leave the north of our country. The north and the city of Hai Phong were liberated exactly 30 years ago. During those 30 years many major events have occurred in our country, but the greatest event was that our entire nation waged a sacred anti-U.S. resistance war for national salvation and won a complete victory in the spring of 1975. Hai Phong has grown up with the nation and contributed worthily to liberating the south, defending the north, unifying the nation, and advancing the entire nation to socialism. During those 30 years Hai Phong has also had the honor of, along with the north, leading the way on the path of socialist revolution. Only because of their many accomplishments in building socialism did the soldiers and people of Hai Phong have sufficient strength to contribute to aiding the great front line and defeat all escalations in the enemy's war of destruction, and continue to stand proud despite difficulties and challenges. Since the nation was completely liberated, in the new status of the nation being completely independent and unified and advancing to socialism, the city of Hai Phong has endeavored to advance comprehensively along the lines of building a modern industrial-agricultural city with advanced culture, science, and technology, with a civilized, happy way of life, and to become a strategic national defense unit. It has thus notably increased its potential in all regards and has sufficient strength to maintain combat readiness and directly aid the northern border.

For its increasingly greater accomplishments in all regards, the city has been awarded 346 medals of all kinds and has been awarded the Hero of the People's Armed Forces title. On the occasion of the 30th anniversary of the liberation of Hai Phong the Party and state awarded the city a Gold Star Medal. That lofty award affirmed the city's all-round economic and national defense efforts throughout the past 30 years.

But those were only some of the accomplishments by the city's soldiers and people in the initial phase. Endeavoring to develop the Port city into a strategic national defense unit began only with the directive "On fully

understanding the military line of our party in the period of building and defending the Vietnamese socialist homeland." Of course, the city's development has always been carried out in accordance with a general plan that includes both economics and national defense. But developing the city into a strategic national defense unit demands correct understanding of the role, position, and contents, and correct working methods and path of advance, on the basis of fully understanding the Party's directives on the goals, nature, and contents of building an all-round, modern national defense of all the people. That is a new, very great matter which we must carry out while seeking to understand and gain experience in the actual situation of the city, as well as studying the experiences of the localities.

I

The Strategic Position of Hai Phong and the Policy of Developing the Port City Into a Strategic National Defense Unit

When one looks at a map one immediately realizes that Hai Phong is a gateway to the homeland. It is not an ordinary gateway but one leading from the sea, one which has a coastline of 183 kilometers and is connected by means of both arterial water routes and land routes to the Capital, the heart and brain of the nation. Hai Phong is also an important area which is situated in a strategic part of the national defensive deployment--Military Region 3, the military region of the Red River Delta, a rice basket of the homeland with tens of millions of people and many large industrial zones which encompass the homeland. Hai Phong is the point of convergence of the mainland, the sea, and the northeastern part of the homeland, an area in daily contact with the enemy of which Military Region 3 in general and Hai Phong in particular are the direct rear area. The port of Hai Phong is one of our country's international trade and navigation centers. Even taking into consideration only its commercial exporting-importing under the present international trade conditions, the port of Hai Phong is strategically important. The position of industry and agriculture there become increasingly great. With a population of more than 1.3 million, total social output amounting to more than 1.2 billion dong (in 1976 prices), 60,000 hectares of cultivated land, hundreds of industrial enterprises, and more than 500,000 workers, every year the city contributes notably to increasing the nation's potential in all regards. With regard to sectors and trades: metallurgy (ferrous and nonferrous), the production and repair of equipment and machinery, electronics, chemicals, construction materials, the exploitation and processing of wood, shipbuilding, textiles, leather tanning, tobacco, printing, paper, foodstuffs, salt, ocean fish, fish sauce, rush mats, etc. Nearly all are sectors and trades which are essential for both the have an increasingly higher technical and industrial level and have both primitive and modern facilities.

Because of its geographical, political, and political position, in all wars of aggression launched by the enemy Hai Phong is an important objective to be taken, while with regard to war to defend our homeland it is an extremely important defensive area. As for our navy's combat at sea, whether along the coast as at present or on the open seas in the future, Hai Phong is tied in with the entire Gulf of Tonkin area, and is even more strategic. It may be said that the area is both an outpost of the mainland and a rear-area base for

the homeland's sea. For that reason, in the municipality of Hai Phong even in peacetime there are not only local forces but also forces of the central echelon, the economic sectors, the masses, and the army's combat arms. In 1984 there were nearly 60,000 workers in the productions sectors managed by the central echelon and more than 80,000 workers and personnel managed by Hai Phong. There are present in the municipality all modern branches and combat arms of our army, main-force troops who operate on a daily basis, rather complete local forces, including strong local troops, extensive militia and self-defense forces, increasingly plentiful reserve forces, and an increasingly larger rear services and military technical infrastructure. The combination of central economic forces and local economic forces, of main-force troops and local troops, the economy and national defense, and national defense and security, has become a permanent law, not merely a wartime law.

In view of those characteristics, when posing the problem of developing the city into a strategic national defense unit because of what we have learned we have begun to think about some requirement that must be fulfilled with existing or potential capabilities.

First of all, we think about a major problem: we must study how the enemy wage their war of aggression against our country to predict how they will attack Hai Phong under the different circumstances of war. When examining that problem we cannot but view in a general way the enemy's aggressor war schemes on the battlefields that they will carry out generally and on the Red River Delta battlefield specifically. We must think about the boldest and most foolhardy plots of the enemy in a modern war. From the sea, from the air, and by land the enemy may launch surprise attacks, especially an enemy bordering us on land and at sea who are always closely allied with the U.S. imperialists and their lackeys in this region. At the same time it is also necessary to fully understand our strategic decisions and clearly understand our defensive intentions in nationwide people's war in general and in military Region 3 in particular. We must take into consideration the combined strength of a nation which is independent, unified, and advancing to socialism, with battlefield deployment and forces that have been prepared in advance, focusses its efforts on the front line, and annihilates the enemy troops by means of very decisive pummeling blows, in the initial period and throughout the course of the war. Hai Phong's responsibility toward the other provinces must be clearly realized; at the same time, the other provinces must be prepared to aid Hai Phong in the system of collective socialist mastership, with the harmonious combination of national mastership and mastership in each locality and base.

On that basis we have gradually come to deeply understand the strategic missions assigned to the city by the upper echelon, from mission of defeating the enemy on the spot from the very beginning to mobilizing and organizing forces to continue fighting by the city itself, and contributing to the strategic deployment of the entire nation in the initial period and throughout the course of a large-scale war. The strategic significance of the missions for which the city is responsible is manifested not only in combat but also in many other aspects of national defense, and not only with regard to local national defense but also to national defense and war waging nationwide. In the final analysis, national defense and war to defend the homeland are

created by the contributions of all localities, which creates a new force and a new quality. In that task, the creation of powerful main-force units and the striking of decisive military blows result from the efforts of the entire nation. In Hai Phong, with the characteristics above, even local combat is not carried out only by the local armed forces. The combination of main-force troops and local troops and of the two war-waging modes--war by main-force units and local people's war--in the Port City will take place from the very beginning and throughout the course of the war. The preparation of all conditions necessary for that combination is carried out by both the main-force and local and local units, but in many respects the locality has the main responsibility, for it not only prepares for combat by the on-the-spot main-force units but maintain readiness for the main-force units which arrive to participate in the fighting. There will take place there not only battles but also important campaigns. The locality is responsible for resolving the many problems involved in preparing for a campaign.

In the event that an all-round war is fought in the city, i.e. it is necessary to fight the enemy's navy, air force, and army, the mission of the city's soldiers and people is to fight and serve the local fighting while mobilizing forces in accordance with a mobilization order from the upper echelon. special attention must be paid to the enemy navy. It is therefore necessary to pay full attention to preparing to fight on the shore and at sea, and to fight the enemy far and near. We should also consider the possibility of the city being surrounded and cut off. Therefore, creating reserve forces and the capability for the city, which is surrounded by a network of large rivers and streams, to fight independently for a certain period of time is extremely important. That is the worst case scenario, but from the point of view of national defense we cannot but take it into consideration and be prepared to cope with it which a large-scale war breaks out.

In the event that there takes place in the city only a war of destruction waged by the enemy's air force and navy, the mission of the soldiers and people of the city is to simultaneously fight the war of destruction and be prepared to fight troop landings no matter when they occur. They must also provide manpower and materiel for the front and effectively carry out all mobilization orders in order to carry out the strategic deployment of the armed forces in large-scale warfare. That is no less a fierce, decisive eventuality.

In the eventuality that there is no fighting in the city there must be a very high degree of combat readiness and the mobilization of forces for the front, including the armed forces, must be posed in a very active, positive manner and high effectiveness must be attained. At the same time, it is necessary to meet all force mobilization requirements of the upper echelon. Between the requirements of supplementing the on-the-spot forces and the forces of the upper echelon, it is necessary to fulfill the upper-echelon requirements has fully and rapidly as possible, ensure quantity, quality, and the delivery times and locations, and continue to manifest a spirit of "not a pound of rice lacking and not a soldier missing." With the city's potential, the mobilization of manpower and material must truly have an effect in strengthening the strategic forces.

In all instances it is necessary to maintain production and maintain living conditions all over the city. If that is to be accomplished, everything must be calculated in advance, there must be a long-range plan, and true efforts must be made to prepare.

When analyzing the missions that have been set forth we must consider not only the next few years but the next several decades, and in some regards even beyond. It is of the enemy and our development against the background of the technical revolution which is taking place very strongly in the world. If not, we will very rapidly fall behind.

Of course, when posing that problem we still tie in the city with the overall strength of the Military Region, the nation, the timely, great aid of the upper echelon and the effective cooperation of the main-force units and those of the other provinces and municipalities. But we believe that all echelons, especially the provinces and the municipalities directly under the central level, must manifest an absolute revolutionary nature, calculate their greatest possible contributions, and manifest an independent, creative spirit. To do so is to manifest a spirit of collective mastership in national defense and achieve unity between national mastery and local mastery. As a city which the Party has determined must be transformed into a strategic national defense unit, it must go all-out to advance to having a strategic outlook in order to correctly resolve the problems that have been posed.

In view of the missions that have been posed above, it is clearly necessary to develop the city into a strategic national defense unit so that it can correctly resolve the problems that are posed. Therefore, developing the city into strategic national defense unit is an objective requirement brought about by the revolutionary situation and missions, and is at the same time is determined by the requirements and actual capabilities of the city. Furthermore, a party directive has been issued on that matter, so it must be carried out. The provincial and municipal echelons must show responsibility and not be dependent and wait on the other echelon. Although it is a new matter and there is no existing model, but it must be carried out, learning as we go, in the spirit of the Fourth Party Congress: "On the basis of a correct strategic line, go ahead and do it, then the actual situation will allow us to understand things more clearly."

II

Deploy a Battlefield Position, Develop Potential, Aid the Border, and Be Prepared To Mobilize for War To Defend the Homeland

In order to fulfill the missions discussed above, on the basis of the characteristics of our country's present situation, one of both being at peace and having to cope with and defeat the enemy's war of destruction and border encroachment war, while at the same time being prepared to defeat a war of aggression on any scale, we believe that it is necessary to resolve four major kinds of problems:

- a. The deployment of a defensive battlefield position.
- b. The development of the city's potential in all regards.
- c. Continually aiding the forces fighting on the northern border.
- d. Being prepared to mobilize all forces for the war to defend the homeland and continue to develop potential even in wartime.

The problem of building a battlefield deployment is the first to be posed because under all circumstances the city has certain strength with regard to both economics and national defense. How that strength is deployed in each period depends on the revolutionary situation and missions, on the combat and combat readiness missions in each of those periods, and on our military art.

In the period of anti-U.S. resistance for national salvation, the city's battlefield position was deployed to fight the war of destruction from the air and the blockade war of the U.S. imperialists, and be prepared to fight their commando activities and sabotage raids. Attention was also paid to fighting the enemy and defending the city in the eventuality of a land war. but at that time our operational objective was the U.S. aggressor army. We adopted the policy of pinning the enemy down in South Vietnam and defeating their war of aggression there. The municipality of Hai Phong remained on guard against any eventuality, but concentrated on the war of destruction waged by the U.S. air force and navy, while also sending manpower and materiel to the great front line. That deployment was based on the requirements of the above-mentioned missions.

Today the revolutionary situation and missions have developed. The enemy of our revolution are the Chinese expansionists and hegemonists, in league with the U.S. imperialists. The strategic operational objective of our army and people is the aggressor army of the Beijing reactionaries. When they wage a war of aggression against our country the possibility that they will be aided by U.S. troops and the lackey armies cannot be dismissed. They are waging a many-sided war of destruction in our interior, even in that strategically located city. At the same time, they are waging an encroachment war along the northern border, in which the point nearest Hai Phong is the border in the northeastern part of our country. In our territorial waters the Chinese aggressor troops continue to commit acts of aggression and armed provocation. There is an enemy air force base less than 200 kilometers from Hai Phong. They are prepared to wage a war of aggression against our country on different scales.

In view of that situation, the city's defensive deployment must be rearranged according to the operational plans that are drafted. There must be close coordination of the three types of troops, the armed forces branches and combat arms, and the units in the city. That deployment is an integral part of the common deployment of the Military Region and of the nation as a whole. It is based on the requirements of the combat readiness mission and on the existing forces. It must be the deployment of people's war, of the entire population fighting the enemy with the three types of troops serving as the hard core. Deployments on the land, on nearby islands, on the coast, and at

sea are closely combined to achieve mastery and all-round management on the land, at sea, and in the air, and promptly discover and defeat both the enemy who infiltrate from without and those who flee from within, as well as those who hide out in the interior. The national defense deployment is combined with the security deployment in the sphere of the city. That deployment includes many echelons, with depth and strength both outside and inside and both on-the-spot forces and mobile forces. It combines the deployment of combat forces with the bases providing rear services, technical support, and mobility.

When building a battlefield position, a major, very important matter is studying the terrain. On the basis of the terrain it is necessary to form integrated combat clusters in each district and ward, which are combined in the sphere of the city and closely integrated with the battlefield deployment of the other provinces in Military Region 3, with the Quang Ninh Military Zone bordering Hai Phong, and with the main-force units--infantry, naval, air-defense, and airforce units--in Hai Phong. It is necessary to take advantage of difficult terrain resulting from the city's location near mountains, rivers, and the sea.

When speaking of national defense deployment we cannot but speak of economic deployment. National defense must be combined with the economy and the economy must be closely combined with national defense, in order to form an integrated deployment. Therefore, the true nature of the problem is to draft a long-range plan for the city that encompasses both economics and national defense. The battle deployment includes the production units. With our battle deployment of the entire population fighting the enemy and organization of three types of troops each production unit (factory, construction site, and cooperative) is a combat unit with increasingly modern equipment. In addition to the combat and production units there is a large number of combat and production support organizations, such as posts and telecommunications, public health, transportation, and other organizations, and a system of water and land routes, which form a rear-services network and combines the rear services of the army with those of the state organs and the people.

The city's defensive deployment must be continually developed and increasingly perfected, depending on the new requirements posed by the new situation and missions and on the city's actual strength, supplemented by additional materiel and manpower.

In developing the city into a strategic national defense unit the most permanent, long-range and basic matter is developing potential in all regards. National defense potential includes political, economic, cultural, scientific-technical, and military potential.

Politically, Hai Phong always stresses the perfection of new production relations, accompanied by education regarding the Party's revolutionary line in the phase of building and defending the homeland for the masses, building increasingly strong basic-level party, government, and mass association organizations at all levels, paying attention to the security work, exercising tight population management, and purifying the area. Hai Phong has always been a workers' city. It has a working class of 150,000 people and

collective peasants account for 69 percent of the municipality's people. Hai Phong, which has been in existence a long time, has had a tradition of unyielding struggle since the founding of the nation, one which includes the famous female general Le Chan of the two Trung sisters; a workers' movement that was launched and developed strongly during the period of rule by the French colonialists; an heroic war against the French which included the exemplary battles in the old Hai Phong, the raid on the city of Kien An, the battle at Cat Bi airfield, etc.; the shooting down of 317 U.S. airplanes during the war of destruction, etc. Furthermore, it was occupied by the enemy during the anti-French resistance war and was the assembly point for French aggressor troops 300 days before they withdrew from North Vietnam. It was a place where there were concentrated many Chinese whom the Chinese reactionaries incited and insanely stirred up, and who left in large numbers in 1978 and 1979. It is a center of international trade which is visited by thousands of ships and tens of thousands of seamen and foreign businessmen every year. The imperialists and the international reactionaries have sought all ways to engage in espionage activities, infiltrate Hai Phong and plant personnel there, and then penetrate more deeply into our country. By means of political education and building party, governmental, and mass organizations at all levels in the city continuous efforts have been made to grasp the policies and directives of the Party, while also firmly grasping the city's characteristics, paying attention to develop its strengths, and gradually overcome its weaknesses and deficiencies so that it can strongly advance. On that basis it is necessary to "develop the collective mastership right at the ward, village, district, and municipal levels," in accordance with the directive of comrade Le Duan, the Party's General Secretary, toward Hai Phong.

A matter that receives attention in ideological education and the building of party, governmental, and mass organizations in the city is education regarding the two strategic missions of the revolution--building socialism and defending the socialist homeland--to enable the people to understand clearly the nature, plots, and schemes of the enemy, and promptly smash all of their psychological warfare arguments. Those tasks are closely tied in with fulfilling the local political missions, economic construction strengthening national defense, and gradually stabilizing and improving the lives of the people.

In the process of developing the city politically and ideologically, a very important matter is managing and developing the effect of demobilized and retired People's Army cadres and enlisted men city. They are cadres and enlisted men who have been steeled and challenged. If they receive adequate attention and real assistance, and are provided appropriate jobs so that they can gradually stabilize and improve their living conditions, while at the same time developing their effect, they could be a good corps of core cadres for the locality. On the other hand, if there is a lack of adequate attention many of them will be hard-up with regard to living conditions, which will adversely affect the enterprise of building up the army and consolidating national defense.

Developing economic potential and combining the economy with national defense is the most basic, permanent task in developing the city into a strategic national defense unit. A strong national defense must be one that is based on a strong economic foundation.

Fully understanding the Party's lives of socialist revolution and building a socialist economy, and on the basis of its actual situation, Hai Phong has made many efforts to build a comprehensive industrial-agricultural economy in recent years.

First of all, it is necessary to speak of the accomplishments in agriculture, the top priority in which is grain production. In view of the actual situation in the locality, we can clearly see that that is an extremely important matter because it is intimately related to the lives of the people, the most pressing problem in which is food. The question of whether there is sufficient food or insufficient food directly affects the thought and sentiment of the masses and thus affects many other spheres of social life, as well as security and national defense.

The resolution of the grain problem must be tied in with resolving many problems in agriculture, and the Party's policy of combining industry with agriculture to form a unified economic structure. It must be fully understood that the most valuable capital is labor and land. From labor and land it is necessary to produce products, combine labor and land, expand the sectors and trades, and creating increasingly greater production force in agriculture.

In the city's present configuration, agricultural belts surround the industrial zones in the outskirts of the municipality and the cities, towns, and districts. The districts have been zoned so that they can have appropriate populations and land areas. The economic and national defense position and nature of each district is clearly stated in the overall municipal plan.

The agricultural characteristics of Hai Phong are that it practices intensive cultivation and adds growing seasons while continually reclaiming land from the sea. Intensive cultivation and continually increasing cultivation and animal husbandry output have great economic and national defense significance. The municipality, which in the past had a food shortage, now provides a very important part of its food, although it does not produce sufficient food permanently and stably. It continually makes all-out efforts to build up food reserves.

Depending on the nature and capabilities of each district, grain production must take the direction of both meeting the permanent requirements of the district, fulfilling the obligation to turn over foodstuffs to the state, and have reserves. It must be added that the forces of the central echelons, the sectors, and the main-force units in Hai Phong are rather large and consume a considerable quantity of foodstuffs.

If the process of zoning the rural areas and building districts, the determining of village borders and the formation of specialized cultivation areas and residential areas, in relation to the water conservancy system, has been carefully studied with regard to both economics and national defense. A system of dikes to hold back salt water has taken form and a system of large sluices, canals, and ditches to bring fresh water from outside and from upstream has been built. The wide availability of fresh water had transformed the saline, acidic soil areas into fertile areas which grow two crops a year.

That not only provides for present production and living conditions but also ensures water reserves for prolonged fighting in all areas and locations in the municipality.

An outstanding characteristic of Hai Phong is that the shoreline has continually been extended, so we must actively reclaim land from the sea. The reclamation of land from the sea is intended to expand the cultivated area, improve the terrain, and improve the city's defensive position. Areas reclaimed from the city's defensive position. Areas reclaimed from the sea will gradually become new populated areas. In the important places there have been, or will be, created state farms and state forests. The new populated areas, state farms, and state forests will organize increasingly strong militia and self-defense companies and battalions on the outer perimeter. many additional fire support bases which can strike at the flanks or rear of enemy troop columns which may land from the sea will be built, thus causing areas extending out into the sea, which were formerly easily isolated when attacked by the enemy, to become parts of an integrated combat deployment. The city proper, which borders the sea, will gradually retreat inland. The new wards and villages that are set up on the outskirts and surround the city will create a whole new defense line which will extend farther and farther out, thus causing the city's defensive deployment to become increasingly deep.

Developing industrial potential is a very important matter in developing national defense potential. Our nation must gradually build modern industry and "appropriately strengthen national defense agriculture while also developing its capability to contribute to economic development." The municipality of Hai Phong is making all-out efforts along those lines.

During the 30 years since its liberation the city's industry has undergone very important development. In 1955 there was one Sector A industrial enterprise in the city and two enterprises in Sector B; but by the end of 1983 there were 46 enterprises in Sector A--a 46-fold increase--and 35 enterprises in Sector B--a 17.5-fold increase.

The industrial system is always one of objectives attacked by the enemy first and continually in war. Therefore, in the city's defense plan it is especially necessary to resolve the problems of defending industry and combining the economy in national defense in the industrial sphere.

First of all it is necessary to rationally arrange the city's system of industrial zones. It is necessary to take full advantage of the terrain (the mountains, islands, the sea, rivers, high ground, etc.) in a manner which facilitates transportation in ordinary times but which makes possible solid defense in wartime and makes it possible to both stand firm or move elsewhere. It is necessary to consider both aspects: creating conditions for defending the factories and building factors to contribute to increasing the city's defensive strength.

On the basis of those viewpoints, Hai Phong has gradually built its present system of industrial zones. The building of central, local, and basic-level industrial installations in Hai Phong will contribute notably to strengthening the economic and military potential of the nation and of the municipality

itself. Many installations are also capable of contributing directly to national defense industry, such as by producing a number of weapons and spare parts or converting civilian goods to military goods, and have large capacities and modern technology. The city has assigned to each echelon and sector responsibility for producing or repairing certain kinds of weapons or spare parts, so that they can make preparations with regard to skills, raw materials, and industrial processes.

With regard to transportation, prior to its liberation Hai Phong had a few roads, primarily routes 5 to 10 and a few old roads to the district seats. Now its roads have been developed into a fairly complete network. In addition to the major roads leading to the capital and the other provinces there is a network of inter-district, inter-village, and inter-hamlet roads. In the development of water and land routes in Hai Phong, a noteworthy factor has been the appearance of a road leading from the city to Dinh Vu Island, Cat Hai Island, and Cat Ba Island (which still has two ferries)--a road which has brought about many benefits. It is valuable not only with regard to transportation but also with regard to the improvement of terrain. When cargo is brought in or out and when and when reinforcements of manpower and materiel are sent from the mainland even to the defense line on Cat Ba Island, it is no longer necessary to change over from a land route to a water route, in the course of which many obstacles are encountered. In the past it took reinforcements 7 days to arrive and heavy artillery could not be sent, but now only 1 day is needed and even tanks and armored vehicles can be sent. Every year thousands of tons of fuel worth several billion dong are saved.

With regard to building roads in Hai Phong, which is located in a coastal area with many rivers, we must mention the network of bridges. The state invested only 30 million dong in a complex of projects including the An Duong bridge, the Tat dam, and a road. Hai Phong, taking into account its military transportation needs, invested hundreds of thousands more dong so that heavy tanks could cross the bridge.

The industrial zones, wards, districts, cities, towns, and residential areas have been deployed along the lines of combining economics with national defense, so there has been set up a service network, a commercial network, etc., which are appropriate to that policy.

In a modern economy and a modern national defense, the role of science and technology is very important. The scientific-technical potential that has been created in past years has strongly affected both the economy and the defense of the entire municipality. It may be said that since the liberation a true scientific-technical revolution has taken place in the municipality which has changed it in many respects. The scientific-technical work has correctly followed the guidelines and policies of the Party and scientific-technical activities have been tied in with production, life, and national defense. Scientific research at all levels, from the municipal level down to the wards and villages and in the industrial, agricultural, public health, cultural, and national defense, and including both natural science and social science, has been increasingly promoted. many research topics and inventions have been applied, brought about real results, and contributed notably to increasing labor productivity, lowering production costs, and improving

product quality, and economizing on raw materials and materials. It is noteworthy that the scientific-technical cadres managed by Hai Phong have been trained in increasingly greater numbers.

Developing military potential is a very important content in developing national defense potential. The military potential of the Port City has been continually augmented by both the combat strength of the main-force units in the municipality and that of its own armed forces.

In comparison to the period just after the liberation, the city's militia and self-defense forces have undergone new development with regard to both numbers and quality, and with regard to the political-ideological level as well as organization and equipment. The number of people in militia and self-defense unit has increased tens of times over, they are better educated and organized, and they have increasingly modern equipment. The organizational scale of the companies, battalions, or regiments depends on the specific situation. In addition to infantry there are militia and self-defense units on rivers, at sea, along the coast, and on nearby islands, and there are other essential combat arms. Training has gradually been put onto the right track. A rather high percentage of the militia and self-defense cadres are demobilized, discharged, or reassigned military personnel who have been challenged in combat, training, and combat readiness in the army units. Another important factor is that the militia and self-defense forces are deployed extensively all over the municipality, from the sea and nearby islands to the coast and peninsulas, and in both urban and rural areas. Everywhere there are people, production installations and organs there are militia and self-defense forces, who are assigned specific combat missions, are appropriately armed, and are organized according to their combat missions and in accordance with increasingly complete operational plans.

The local troops of the municipality, with the stipulated troop strength, organizational scale, and equipment, are developed with increasingly higher quality. The units always firmly grasp the fact that combat training is the central task in development and combat readiness, and is combined with border reinforcement and production labor. Every year the municipal units do a good job of fulfilling their training missions. Between 95 and 98 percent of the troops participate in training. The results of an inspection of tactical and technical training were that 100 percent met requirements and 40 percent or more were classified "fair" or "good." In 1981 Hai Phong won second prize in the military region's competition in technical subjects. In 1982 the municipality won first prize in both the military region and Zone 1 competitions. In 1983 and 1984 Hai Phong continued to make accomplishments and in some subjects, such as male and female military sports, won first prize in army-wide competitions. In training, the units always concentrate on cadre training and basic unit training, pay attention to both theory and practice, and stress training accordance with operational plans, training in independent combat, and training in coordination with main-force troops under the various wartime circumstances that might develop.

The local military organs, from the Municipal Military Command to the ward, district, subward, and village military command committees, have been strengthened and have a corps of cadres most of whom have long been associated

with the locality and some of whom have participated in the movement in Hai Phong since the anti-French and anti-U.S. resistance wars. The levels of the cadres and organs are becoming increasingly high in all regards. The experiences of the city itself during the various periods are being recapitulated and it will continue to complete those recapitulations, combined with the scientific study of newly arisen problems, to create a basis for the continued development of the city's military potential in the future.

The national defense installations, such as combat installations, road networks, airports, ports, and headquarters are becoming increasingly complete, according to plan.

The reserve forces are a very important part of the military potential of the municipality and the nation. The building up and management of reserve forces is a major topic. The municipality has an organization and management network and has begun to give annual training to reserve officers and noncommissioned officers.

Due to the characteristics of our nation's present situation, the forces of the municipality develop and maintain combat while continually aiding the border fighting. The good performance of that task will contribute to assisting in the fight against the sabotage war and border encroachment by the enemy along the border, steel the cadres and men, and gain experience in order to maintain readiness to carry out mobilization once a large-scale war of aggression breaks out.

There are, of course, still many problems that must be resolved in mobilizing in accordance with the strategic plan when a large-scale war breaks out. But the city also gained certain experience during the anti-U.S. war for national salvation. In recent years, in troop recruitment (one of the major contents of the mobilization of armed forces), the municipality of Hai Phong has always met or surpassed the plan norms assigned it by the upper echelon's. One year (1968) it surpassed its norm by 135.8 percent. Even in the new period troop recruitment has surpassed the plan norms. The norm was surpassed by 107.7 percent in 1976 and by 107.3 percent in 1978. The experiences of the mobilization work during the anti-U.S. war, and the experiences in reinforcing the border and recruiting troops in recent years have gradually been recapitulated and applied under the new conditions, along increasingly conventional lines.

In developing the city's military potential we have made all-out efforts to fully understand the Party's military line and the characteristics of the present military situation and missions the nation in general and the Port City in particular. An outstanding guiding thought is continually combining force development of forces with maintaining combat readiness, aiding the border, and doing economic work, not merely developing forces at the exclusion of everything else. Those guiding thoughts must be fully understood by leadership and command cadres, and by all cadres and enlisted men in the armed forces.

III

Strengthen the Sense of Responsibility and Ability To Master National Defense at the Municipal, Ward-District, and Subward-Village Levels of all People and People's Armed Forces in the City

Developing the city into a strategic national defense unit, with the contents brought out above, is a comprehensive task which encompasses the overall development of the city and is related to all echelons and sectors in the localities and to the central echelon. It can only be carried out on the basis of bringing into play the collective mastership and ability of the people and the people's armed forces, and of the echelons and sectors from the municipal level down to the basic level, under the leadership of the Party committees.

A matter that has become an inevitability in the life of the nation and of each locality is the revolutionary mass movements, all of which are led by the party committees. At a time when many difficulties are being experienced in economics and life, national defense can easily be neglected, so the leadership role of the party committees has an even more decisive significance. A very advantageous factor for Hai Phong is that the standing committee of the Municipal party committee has a high degree of unanimity regarding the city's military and national defense missions. The important directives and resolutions of the Party regarding military matters and national defense are carefully studied by the standing committee members, who collectively discuss their implementation. The standing committee itself has adopted the policy of holding military study classes for cadres and party members throughout the municipal party organization.

In the 1979-1980 period there was a program for key cadres at the district party committee secretary, district party committee chairman, enterprise director, or higher level to study military matters half a day a week. The Municipal Party Committee has also organized military training classes for cadres of all echelons and sectors in the city, so that cadres at all levels could take turns studying. The military training program for cadres of all sectors consists of matters regarding the Party's military line in the new revolutionary phase and the policies of the Municipal Party Committee regarding the local military work and combining economics with national defense in the sphere of the city. Studying the nature and the political and military plots and schemes of the enemy was a necessary content and is liked by the students. For some categories we have also organized in-depth study of military art and some of our fighting methods, especially the art of local people's war campaigns and the fighting methods of the local people's armed forces.

Military training for sector cadres in classrooms, with occasional practice, is carried out in a manner appropriate to the categories in each sector. The party committee secretaries of wards, districts, organs, and enterprises study and discuss ways to combine economics with national defense in their ward, district, sector, or enterprise.

However, explaining the Party's policies regarding national defense is carried out not only in study sessions but also in actual organization. In the course

of implementing the specific policies and plans, incorrect understanding and viewpoints have continued to be revealed for many reasons, sometimes because of insufficient knowledge but also at times because purely economic interests dominated. A major problem that is posed is enabling the cadres to always clearly realize the effect of both kinds of laws: the laws of economics and the laws of war. They must know how to closely combine both kinds of laws and find the most accurate solutions to problems that are posed. Here it can be clearly seen that in actual organization it is necessary to continue to disseminate correct viewpoints and thoughts while struggling against incorrect viewpoints and thoughts, for only then is it possible to reach a high degree of unanimity in both thought and action.

Study of the Party's military line and policies by the party committees and cadres has resulted in strengthening the sense of responsibility and improving the military knowledge of the key leadership cadres at all levels throughout the city. Thanks to those results, there are many advantages in implementing the policies of the Municipal Party Committee regarding the combining of economics and national defense. With regard to all questions, from determining the role of large factories to creating a social services network and deploying the road work, unanimity was quickly achieved between the economic organs and the military organs. When it was necessary to make additional investments in building bridges, etc., to meet the economic and national defense needs, the functional organs did a good job.

On the basis of unanimity in thought and full understanding, it is necessary for all three echelons (municipal, ward-district, and subward-village) to exercise joint mastership with regard to national defense in their jurisdictions.

Our Party has affirmed that collective mastership is both a goal and a motive force in the socialist revolution. The national defense undertaking nationally and in each locality must be based on that motive force. The actual situation of the municipality of Hai Phong in recent years has shown that in order to implement all national defense policies and plans it is necessary to bring into play the mastership role of all echelons and all citizens. At present, the building up of national defense is being carried out under the conditions of the nation both being at peace and having to cope with the prolonged many-sided war of destruction and border encroachment war waged by the enemy, while at the same time being prepared to oppose a large-scale war of aggression. The requirements with regard to economics, life, and national defense are demanding and urgent. In that situation, the tendency of only pursuing only the requirements of the economy and living conditions can arise very easily. Therefore, only by heightening the responsibility of the people who are the masters of the nation and of the locality can resolve the contradictions which appear in the great undertaking of consolidating national defense and developing the economy.

From a national point of view it is necessary to bring into play the mastership right of all three echelons--the central, local, and basic levels--as determined by the Party. In the sphere of a municipality, that is a matter of bringing into play of the municipality, ward-district, and subward-village levels. That is not a division of responsibility among the echelons

but the coordination of all three echelons. The city must have a common municipal plan, guide the wards, districts, subwards, and villages, and be directly concerned with their interests. On the other hand, the wards, districts, subwards and villages must act in accordance with the municipal plan, take the initiative in helping itself, and contribute to helping the common undertaking. All echelons must make the benefit of the municipality as a whole their basic concern, according to the principle of benefit of the whole taking precedence over benefit of the parts. The benefit of the parts. The three echelons must harmoniously coordinate with one another and must have a sense of responsibility toward the entire nation. It may be said that that spirit must be manifested in all national defense tasks, and only that spirit can bring about the greatest possible results.

In 1978, when the Beijing reactionaries encouraged the Chinese in Vietnam to carry out a mass exodus, a number of residential areas were abandoned and some production installations had to cease operations. In view of that situation the city mobilized the necessary work force to replace them. Hundreds of thousands of people, including a large number of militia and self-defense unit members, fulfilled those requirements and not only replaced the Chinese in the municipality but were sent to other provinces, even to distant, remote places which had difficult conditions and confronted the enemy troops. Many difficulties were encountered because the families who were transferred to the new places faced many problems, from transportation facilities to food, housing, jobs, education for their children, public health, social services, etc. But the municipal, ward-district, and subward-village organs were concerned with them and cooperated in resolving the problems, and there was close cooperation between the municipal organs and the organs of the other provinces as well as assistance of the central echelon, so good results were attained. With a strong sense of responsibility the sent 70 percent of the militia and self-defense unit members, including local military cadres from the subward, village, ward, and district units. Many villages even took along their guns and such rudimentary weapons as sharpened stakes and mines to set up defenses in the new areas.

All annual troop recruitment cycles also manifest a spirit of mastership on the part of all echelons and sectors. Only if the subwards, villages, wards, and districts are concerned to the end can they ensure sufficient numbers and high quality, and that the people who go are enthusiastic, that organization is rational, that materiel meets standards, and that the units turn over and receive troops rapidly and effectively. Experience has shown that if only one element of an echelon lacks a positive spirit and initiative, is overly dependent, waits for the upper echelon to resolve its lower echelon, etc., there is certain to be an adverse effect on all tasks.

A model example of the great effect of consciousness of collective mastership in fighting the war of destruction waged by the air force of the U.S. imperialists in the past was the treatment and convalescence of wounded soldiers. Under fierce combat conditions, the anti-aircraft units were continually moved around. The military medical units sometimes could not arrive in time. But wherever a unit went the medical organs in that village and neighboring villages, and the people in that area, took the initiative in serving that unit. The public health organs at the district and ward levels

also immediately sent cadres and personnel to help out. Many other similar things happened during the wartime period. Clearly, that demonstrated consciousness of collective mastership with regard to national defense which is a long-standing tradition of our people which has been brought into play and developed to a new level in the socialist regime, the most advanced regime of our people. If it is developed into a mechanism which combines consciousness of mastership with ability to exercise mastership, and takes form in an organized and increasingly rational manner, its effect will be even greater.

The mastership mechanism with regard to national defense in the sphere of the municipality is manifested in a concentrated manner in plans to develop the municipality, in which the combining of economics with national defense is resolved accurately in accordance with basic guidelines over a long period of time and specifically in each five-year and annual plan.

In the socialist collective mastership mechanism, the Party, the state, and the people are combined to form a single entity. That combination is manifested in the form of common plans. The city's state plans, the concretization of the lines and policies of the Party and a matter of state law, are drafted at the basic level and are intended to meet the basic needs of the people. Their are long-range plans extending over several decades and short-term five-year and annual plans. The contents of the task of developing the city into a strategic national defense unit must be based on those plans (except for those which must be kept secret) and be transformed into legal requirements for all echelons and sectors, for the entire population, and for the people's armed forces. The fulfillment or overfulfillment of the city's state plans is a step toward developing it economically as well as with regard to national defense.

In introducing national defense contents into the state plans and in combining economics with national defense and national defense with economics in the city's long-range and short-range plans it is necessary to include both the upper echelon and the lower echelon. The upper echelon must provide guidance and the lower echelon must take the initiative in including those contents in their draft plans. Only in this regard is it clear that education regarding national defense and military matters for the entire population, especially the cadres of the sectors and echelons, especially the sectors and echelons, especially the key leadership cadres, is extremely important. If the viewpoint and thoughts are not clearly understood from top to bottom the plans will not be accurate, after the plans are drafted it will be very difficult to correct mistakes, and after something has been done and can no longer be corrected and will have to be done over, which is wasteful, or do nothing.

The local military organs at all levels in the municipality are responsible for serving as staffs for the party committee echelons in the sphere of combining the economy with national defense and national defense with the economy. The local military organs, especially the Municipal Military Command and the military command cadres of the wards, districts, subwards, and villages must have sufficient military and economic knowledge to fulfill the requirements of their missions. The Municipal Military Command must have a

military science research organ and other staff organs capable of researching topics, drafting policies, and drafting plans, including plans to develop military potential, plans to combine the economy with national defense, and plans to maintain combat readiness, aid the fighting, and carry out wartime mobilization. At the same time, they must be capable of helping the Command organize and manage all tasks. The local military cadres must actively study military and economic matters and fully understand the movement and the terrain. It would be best if they were local people, or became local people.

The people's armed forces, which are responsible for serving as the hard core for the people as a whole in fighting the enemy in local people's war and for national defense by all the people at the local level, must do a good job of continuing to develop military potential, combining the economy with national defense, aiding the border, and mobilizing and fighting in wartime.

The militia and self-defense units must be developed numerically and extensively and organized on scales appropriate to the production bases, the combat requirements, and equipment and command capabilities. Their quality must be continually improved with regard to both numbers and extent, and politically, ideologically, and organizationally. The organization, equipment, and training of the militia and self-defense forces must be tied in with the organizational plans of the combat villages and wards and the combat clusters.

The local troops of the municipality and the wards and districts must be developed in a manner appropriate to the requirement of continuous combat readiness in the nation's present situation and there must be a plan to expand those forces when a large-scale war of aggression breaks out. The number of troops and units, organizational scales, and equipment must be appropriate to ensure constant combat readiness and the ability to reinforce the border and combine economics with national defense in the sphere of the city. A guiding thought must be observed: if war breaks out the local municipal troops, in coordination with the militia and self-defense forces, with or without main-force troop reinforcements, independently organize and carry out local people's war to defend the city, in coordination with the upper-echelon attacks.

The local armed forces, including the local troops, the militia, and the self-defense forces, must do a good job of combat training. In training they must attain the greatest possible results in correct accordance with the contents stipulated by the upper echelon, while stepping up military science research regarding people's war and the local military work in the municipality. Especially, it is necessary to study the fighting methods of the local troops, militia, and self-defense forces at sea, along the coast, on islands, on rivers, on land, in the air, in villages, and in the city.

The municipal local military organ must do a good job of guiding and organizing the building of rear-service bases for the armed forces themselves, manage the rear services capabilities of the people, prepare an infrastructure to support combat by the main-force troops, the local troops, the militia, and the self-defense forces, and create conditions of combining the two war-waging modes in the sphere of the city.

Under the guidance of the Military Region, the municipality is responsible for aiding and reinforcing the border, and thereby forging the municipality's armed forces. At the same time, it is necessary to build up, manage, and prepare to mobilize reserve forces in accordance with the requirements of the strategic deployment of the armed forces should the enemy launch a large-scale war of aggression against our country.

A very important matter is that the people's armed forces in the city must actively participate in economic work. It is necessary to bring into play the assault role of the armed forces in combining economics with national defense and contribute practically to developing economic potential and have many products to improve living conditions, stabilize thought, improve health, strengthen the material bases for military training and combat readiness, have real strength with which to implement well the army's rear area policies, etc. Not only the local troops, but also the militia and self-defense forces, must be mobilized to do economic work in each campaign, with the status of military (and not civilian labor) organizations, in coordination with the concentrated units, to complete the projects important to both the economy and national defense, improve the living conditions of the unit members, and thereby improve the organization and command ability of the local military cadres, from the municipal level down to the ward, district, subward, and village levels.

The building and consolidation of national defense at present and in future years, by the nation generally and by Hai Phong specifically, will take place under very complicated conditions. Many very basic and very urgent problems are being posed for both the economy and national defense, and must be well resolved. In Hai Phong we have set the following order of priority for each category:

--Tasks that benefit both the economy and national defense must be carried out immediately.

--Tasks that benefit only national defense but are urgent and cannot be delayed must be carried out immediately.

--Tasks which benefit only the economy should be carried out if conditions permit.

--With regard to tasks that benefit only national defense and adversely affect the economy and are not urgent, all conditions must be prepared so that when necessary they can be carried out immediately.

The actual situation has demonstrated that those guidelines are very correct. But their implementation is a process of knowledge and effort. What is necessary and urgent? In order to answer that question there must be an all-round viewpoint, a strategic viewpoint, and necessary knowledge of economics and national defense, as well as the grasping of the special characteristics of the situation and the strengths of the city, which are increasing, and in the present phase of the period of transition to socialism in our country. It is very important to study and exchange opinions with the other municipalities and provinces. Although each municipality has its own characteristics and

requirements they have all built up and consolidated national defense in the historical period of the nation being unified under the centralized leadership of the Party, and are all affected by modern economic and national defense laws in our country. For that reason we very much want to study the experiences of the other municipalities and provinces and introduce our initial experiences so that they can be studied by others.

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MILITARY AFFAIRS AND PUBLIC SECURITY

GENERAL WRITES ON SOCIALIST LEGAL SYSTEM, ARMY DISCIPLINE

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese May 85 pp 33-39, 45

[Article by Lt Gen Le Quang Hoa: "The Socialist Legal System and the Discipline of the People's Army"]

[Text] The resolution of the Fourth Party Congress stated that "It is necessary to strengthen the socialist legal system and cause all activities of the state organs to be tightly regulated, truly respect the rights of the collective, and ensure the rights of the people, while also demanding that all citizens fulfill their obligations and obey the law." In his political report at the Fifth Party Congress, General Secretary Le Duan also stressed that "Strengthening the socialist legal system is an urgent requirement in increasing the effectiveness of state management and ensuring the collective mastership right of the working people." Thus strengthening the socialist legal code is clearly a major policy of the Party which is intended to ensure the victorious fulfillment of the major missions in the present phase of the socialist revolution.

Our army--a sharp tool of the socialist state--must be strict and exemplary in enforcing laws, while at the same time contributing positively to protecting laws. The army is a component of the Vietnamese socialist community, and military personnel are also citizens. The constitution and laws, as well as orders, regulations, rules, stipulations, etc., in the army are legal documents, which are codified on the basis of the lines and policies of the Party and state. Therefore, army discipline demands that army personnel, from enlisted men to command cadres at all levels, respect the law and live and act in accordance with the law.

Beginning with their formation, under the leadership of the Party, the initial units of our army also had 12 articles of discipline, 10 oaths of honor, and 6 commandments. On the basis of the 1946, 1959, and 1980 constitutions our state has introduced many important laws, including such separate laws regarding the army as the officer service law, the military obligation law, etc. Recently the state, on the basis of the 1982 Constitution of the Socialist Republic of Vietnam, has published many laws relevant to the army and national defense.

From the tiny initial guerrilla units our army rapidly became a conventional army of the people's democratic state, of the socialist state, an army with outstanding maturization which wins glorious victories and always maintains its revolutionary nature and fine traditions. Fighting for noble revolutionary ideals, living with strict, voluntary discipline, and acting in correct accordance with the policies of the Party and the laws of the state, are some of the most important factors enabling our army to always maintain its fine nature, develop its fighting strength, fulfill all missions, overcome all difficulties, and defeat all enemies.

In view of the new revolutionary situation and missions, the army's mission is very difficult. As we all know, the Chinese expansionists and hegemonists, in league with the U.S. imperialists and the reactionary powers, are still very obstinate although they have been disastrously defeated in their aggressor attacks. They are feverishly stepping up their many-sided war of destruction against our country and their border encroachment activities, while at the same time preparing a large-scale war of aggression against our country when they have an opportunity. Combining a war of destruction in all spheres with a border encroachment war, the Chinese reactionaries hope to nibble away at our territory, paralyze our economy, interfere in our internal affairs, erode the confidence of our people, and throw our society into chaos in order to carry out their basic, long-range plot of causing our collapse so that they can annex our country and all three countries on the Indochinese Peninsula.

In view of that situation, as pointed out by the Resolution of the Fifth Party Congress our entire Party, population, and army must firmly grasp and fulfill well the two strategic missions: successfully building socialism and maintaining combat readiness and solidly defending the Vietnamese socialist homeland. Our country must be strong in all regards: politically, economically, defensively, etc. socialist discipline and order must be maintained in all spheres. The constitution and laws are the codification of the lines and policies of the Party and must be thoroughly understood and strictly enforced by all organizations and individuals, without exception.

In order to respond to the new revolutionary situation and missions, the Resolution of the Fifth Party Congress also pointed out that it is necessary to continue to develop our army into "a revolutionary people's army with an iron will to win, tight discipline, a strict work style, an increasingly higher level of professionalism and modernity, and a continually rising level of combat readiness, one which always fulfills all missions assigned it by the homeland."

Strengthening the socialist legal code is one of the contents intended to increase the army's fighting strength and enable it to meet the directions and requirements regarding construction and combat set forth by the party Congress. Furthermore, it is necessary to realize that the army is a sharp tool, a strong pillar of the socialist collective mastership system. The army has not only strictly and fairly enforced the laws of the state for the sake of its own development and combat, but also brought into play their positive effect in maintaining and defending the law, so that it can be worthy of being an effective arm which, along with the state organizations, make the greatest possible contribution to strengthening socialist discipline and order.

For that reason, in 1980 the Military Commission of the Party Central committee set forth the task of "Carrying out all aspects of the legal work in the army, supplementing and systematizing the laws, stepping up education regarding the orders and regulations, and developing the effectiveness of the cadres and organs in all regards" in order to carry out the work of protecting the laws. That is a very correct, very urgent policy that is intended to meet the army's development and combat requirements and those of the struggle between the two paths and between our people and the Chinese expansionists and hegemonists at present.

During the past several years, in the course of implementing the policy of the Military Commission of the Party Central Committee it has been very clear that "the legal work in our has contributed to creating progress in enforcing the laws, orders, statutes, regulations, and by laws of the army, and to restricting negative phenomena and violations of laws and discipline." Legal education has begun to be promoted and the legal work has gradually been put on the right track, from the organs down to the basic units. Our army has done an increasingly better job of fulfilling its role of being an effective supporting force for the Party and people in the struggle against the enemy's war of destruction, and has contributed importantly, along with the other forces, to maintaining political security and social order and safety.

However, the progress that has been made is not solid and has not yet brought about a truly clear and basic transformation in managing the army in all respects as well as in developing its role as a hard-core force and pillar of the state and the socialist collective mastership system.

In order to strengthen the socialist legal system and further strengthen discipline in the army it is necessary to firmly grasp and aim toward the following principal objectives:

First, pay attention to completing the system of laws, orders, statutes, bylaws, rules, regulations, responsibility, and missions to create a legal basis on which to unify the activities of the organs, units, organizations, sectors and trades, and individual military personnel. We all know that under the conditions of the Party being in power, all of its lines and policies are codified in the form of stipulations of a legal nature to guide the activities of all organizations and people.

The lines and policies of the Party in all spheres of social life are continually developing and increasingly concretized, along with the development of the situation and the revolutionary mission. Therefore, continually monitoring the actual situation and continually perfecting the laws, statutes, stipulations, etc., are permanent concerns in strengthening the socialist legal system. Promptly discovering, researching, and supplementing stipulations in the management of work, in accordance with the functions and rights of each echelon, are responsibilities of every sector and echelon, not merely the legal cadres and organs. The same is true with regard to our army. The enterprise of defending the homeland in the new phase poses for our army and armed forces extremely difficult missions. The more conventional and modern it becomes and the newer its weapons and technical equipment become, the more there is a necessity for new regulations which are

appropriate to the Party's military line in war to defend the homeland. The sectors and trades in the army are also developing. If the orders, statutes, stipulations, functions, and missions of the echelons and sectors are not explicit, it will be difficult to avoid deficiencies, mistakes, and losses. In combat, especially large-scale combined arms combat by the armed forces branches and combat arms, if there is a lack of combat orders, statutes, regulations, rules, functions, and missions of the staff, political, rear services, and technical work it will be difficult to avoid serious consequences. Even in national defense production, if there is a lack of industrial regulations and norms for the use of fuel, materials, etc., one cannot speak of results or of increasing labor productivity; indeed there may be created shortcomings which give rise to corruption and waste. An organization may be set up, but if its function, missions, authority and responsibility, and those of the people in the organization, are not clearly stipulated there can be no basis on which to ensure that that organization can have an effect.

Thus concern for continually perfecting the system of laws, orders, statutes, etc., is very important. It is necessary to avoid conservative, backward attitudes and to heighten the responsibility of all organizations and the people in them in contributing to perfecting laws, orders, and regulations. But on the other hand it is necessary to go all-out to emphasize the management rules and act in accordance with laws, orders, and statutes, and make the basis on which to unify the management and adjustment of the conduct of organizations and individuals, and firmly maintain social order and army discipline.

Second, fully bring into play the collective mastership right of the masses and cause everyone to voluntarily and strictly obey the stipulations of laws, orders, statutes, regulations, etc. Whether or not laws are effective and become part of life depends above all on the consciousness and actions of man. The actual situation demonstrates that there can be no consciousness of living and working in accordance with laws if we do not closely combine education regarding laws and army orders and discipline with the leadership work and the work of organizing inspection, supervision, and the guidance of actions.

With regard to that matter, cadres, especially command and leadership cadres, play a very great role. If cadres are not exemplary, but even act contrary to the laws and orders they cannot manage the units in accordance with laws and orders. But a very important matter of decisive importance with regard to strengthening the legal system and heightening discipline is the mastership role of the cadres and enlisted men. Only when cadres and enlisted men clearly understand that laws, orders, statutes, etc., pertain not only to the "upper echelon" but also to themselves, for the sake of themselves and for the victory of the unit's development and combat missions, and thus voluntarily enforce, maintain, and defend laws, orders, etc., can the legal system and discipline in the unit be strengthened on a solid basis. In units and places which have not brought into play mastery of laws and discipline by the broad cadre and enlisted man masses, even if the cadres are resolute it is difficult to avoid the situation of "when the cat's away the mice do play" when they're absent. If most of the masses in the unit do not understand the nature and goals of

the laws, orders, and statutes, the situation in the unit with regard to the legal system will still be lax.

Furthermore, it is necessary to realize that in many instances units violate or act contrary to laws mainly because the cadres and enlisted men do not understand the contents and stipulations of laws. There have even been instances in which commanders, because of a lack of knowledge of laws, have issued orders and directives contrary to the socialist legal system.

Therefore, in addition to continually raising their level of political consciousness, the organs and units must continually pay attention to teaching state laws and the orders and statutes of the army, and regard that as part of the unit's overall work plan and a compulsory subject in the educational curricula in both units and schools.

Bringing into play the mastership role of the cadres and enlisted men with regard to laws must be accompanied by increasing knowledge of laws, orders, and statutes to ensure that all cadres and enlisted men, under all circumstances, in combat and work as well as in daily life, act in accordance with laws, orders, and statutes and cause acting in accordance with state laws and army discipline to become a permanent way of life in the units.

Third, the strict enforcement of state laws and army discipline is one of the struggle measures which effectively prevent arbitrary, undisciplined, negative, illegal acts.

Speaking of the importance of discipline, Lenin pointed out that "In order to win victory it is necessary to carry out an extremely great struggle; there must be iron discipline, military discipline"(1) and "the system of absolute concentration and extremely strict discipline of the proletarian class are basic conditions in defeating the bourgeois class."(2) Discipline is even more important with regard to the army because it is one of the factors creating the army's combined strength. Only strict discipline can ensure that good results are attained in training, combat, work, and production activities, that forces, material, weapons, and equipment are used economically but with high effectiveness, and that there is internal solidarity and military-civilian solidarity.

The concentrated manifestation of army discipline is all cadres and enlisted men automatically obeying the stipulations of state laws and the orders and statutes of the army, fully carrying out the orders and directives of the upper echelon, and fulfilling their functions and missions to the end.

The Vietnam People's Army is a revolutionary army and has a fine nature and glorious tradition because it is an army with iron, voluntary, strict discipline on the basis of the comradeship of people who share noble fighting ideals. During years of fierce combat, full of hardship and sacrifice, our army has been very worthy of its noble designation "Troops of Uncle Ho." When our troops leave the people remember them, when they live with the people the people remember them; they are united from top to bottom, when one person falls the whole unit is grieved, and responsibility and love are closely combined. The party work and political work have increasingly strengthened

the army's party nature, principles, organization, and discipline. It has comradeship as pure as crystal and as ardent and warm as the sun. The upper and lower echelons and the members of a unit understand one another as well as they know the palms of their hand. In combat, because they live and die together and share hardship the cadres and men have confidence in one another and support one another in order to fulfill their mission. Therefore, when the commander gives an order everyone automatically and unconditionally carries it out, even though they must sacrifice their lives. The cadres and men always "regard military orders as being solid as mountains," as our beloved Uncle Ho taught.

All aspects of our army's combat and life, and all of its other activities, are tied in with discipline. Its fine tradition and nature, glorious victories, close comradeship, the sharing of a common will be the soldiers and people, etc., are all results of voluntary, strict discipline because that discipline always guides the cadres and men in acting in accordance with the lines and policies of the Party and the laws of the state. Army discipline and the legal system are as close as a person and his shadow. The more the legal system is strengthened in the unit the stronger discipline is. The more fully military orders and statutes are carried out, the better the legal situation in the unit. Those are two aspects of the problem and are always closely related. It should not be thought that at present the economy and life are still beset with many difficulties and deficiencies, negative phenomena in society are still widespread, and the struggle against negativism are still difficult and complicated, so it is difficult to build a way of life according to law and act in accordance with orders. Such a way of thinking is of course incorrect. If it is the thinking of the unit leader it will inevitably lead to rightism, laxity, and inaction in the leadership work. It is fact that objective circumstances have a strong affect. But both theory and practice have proved that subjective efforts always, under all circumstances, play a decisive role. Throughout the army, on the battlefields, along the border, and in the rear area, in combat units as well as in units doing economic work, although conditions are similar a considerable number of units have solidly overcome negative phenomena. The struggle against negativism in those units is not simple and must be carried out in all respects, but clearly strengthening the legal system and resolutely enabling the unit to have a way of life of observing laws and acting in accordance with orders and regulations have contributed effectively to stopping negative phenomena. The laws of the socialist state and the orders of a revolutionary army both have strong persuasive force and are compulsive, and are very sharp tools for preventing and overcoming negative phenomena. The problem that is posed for commanders and leaders is to have correct viewpoints and leadership methods, in which case they are entirely capable of building a way of life according to life and a movement in the units to act in accordance with orders.

In order to promote the enforcement of laws and heighten army discipline, the experiences of the past several years have shown that in addition to political education and increasing awareness and knowledge of laws and discipline on the part of cadres and enlisted men, it is necessary to heighten the political responsibility and role of commanders in correct accordance with the Party's new leadership mechanism vis-a-vis the army. The commander is a person who

gives the orders and manages all aspects of the unit. Therefore, first of all he must have understanding of the Constitution and of laws, orders, statutes, and regulations in the army, and must have knowledge of jurisprudence. More than anyone else, the commander must be a bright example with regard to enforcing laws and discipline, and must talk and act in accordance with laws. The commander must clearly understand his responsibility and fulfill his responsibility according to his authority. At the same time, he must clearly understand the responsibility and authority of the echelon under his command in order to supervise, inspect, and compel the cadres and men to act in accordance with their responsibility and authority.

Everyone is equal in the eyes of the law. Therefore, the commander must be extremely fair, and not be too "heavy handed" with one person or too "light handed" with another, and must not be too easygoing or factional or "bestow favors to keep things quiet." The commander must also be extremely sincere, straightforward, and benevolent, and guide the cadres and men under their command in acting in accordance with laws and orders, and ensure that everyone fulfills their missions. Only thereby can the commander bring into play the strength of collective mastership, strengthen the legal system, and consolidate discipline in the unit.

Strengthening the legal system and consolidating discipline must be closely tied in with fulfilling the unit's political missions, for they are the highest goals of strengthening the legal system.

Our nation manages society by means of laws and our army manages the units, cadres, men, material bases, and discipline by means of laws and the system of orders, statutes, and regulations of a legal nature. Only thereby can the effectiveness of state management and the management effectiveness of the cadres be developed and the political missions of the unit be fulfilled. The more management is in accordance with laws and orders the higher will be the quality of mission fulfillment. Therefore, within the sphere of authority of the echelons and sectors, from top to bottom, it is extremely necessary to pay attention to gradually completing the legal basis and the system of laws in the unit to create a basis on which to implement them uniformly in all spheres. It is necessary to draft work rules, stipulate the relationships in work, and draft a system of bylaws in the basic units in order to manage them, weapons, material-technical bases, finances, supplies of the army in the strictest manner, in order to serve as well as possible combat, work, and production missions.

In the process of fulfilling missions it is necessary to coordinate the sectors, echelons, units, and localities, and coordinate the inspection, control, and investigation tasks in order to strengthen the legal system and promptly deal with incidents that occur. Relationships and close cooperation with the local governmental administrations must be firmly maintained in order to create a high degree of unanimity with regard to viewpoints and thoughts, and find positive measures for struggling against and preventing crimes. Those actual experiences show that in recent years there have occurred a number of very complicated incidents and events which the units seemingly could not resolve. But thanks to coordination and unified discussions with the local party committees and governmental administrations, no matter how

complicated the incidents and events have been they have been rapidly and promptly dealt with according to law, a high degree of unanimity has been attained, solidarity has been maintained, and the legal system has been strengthened.

The strengthening of the legal system is intended to further the fulfillment of missions and bring about a clearer transformation in army discipline, which is one of our army's major policies. We must firmly grasp the contents, apply the existing experiences and develop them more deeply and broadly in all spheres of the troops' activities, thus enabling the socialist legal system to more strongly affect the management and command of the echelons and sectors. If that is done, the effectiveness and quality of combat readiness, combat, training, work, production, etc., will certainly be improved, our army's discipline will undergo an even stronger transformation, its combativeness will be increased, and it will more strongly develop its fine nature and tradition and contribute positively to building and defending the socialist homeland.

FOOTNOTES

1. Lenin, "Collected Works," Progress Publishing House, Moscow, 1973, p 253.
2. Lenin, "Left-Wing Infantilism in the Communist Movement," Progress Publishing House, Moscow, 1973, p 13.

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CSO: 4209/548

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN MARKS SRV-CSSR TRADE ANNIVERSARY

BK141413 Hanoi Domestic Service in Vietnamese 2300 GMT 9 Aug 85

[Text] Today, 10 August, together with the fraternal Czechoslovak people, our people joyfully celebrate the 30th anniversary of the signing of the first economic and trade agreements between our two countries. Our past 30 years, with the spirit of solidarity, friendship, and socialist cooperation, the economic and trade relations between the two countries have constantly developed and have produced many fine results. They have become part of the efforts to consolidate the SRV-CSSR solidarity and unity, thus contributing to increasing the strength and the unification of the socialist community. On this occasion, NHAN DAN carries an article hailing the cooperation between Vietnam and Czechoslovakia over the past 30 years. The article reads in part as follows:

A new era in economic and trade relations between Vietnam and Czechoslovakia on a greater scale and with higher qualities began with the 1975 official friendship visit to Czechoslovakia by our party and state delegation led by Comrade Le Duan and the 1980 official friendship visit to the Czechoslovak party and state delegation led by Comrade Gustav Husak. These developments were reflected in the signing of the treaty of friendship and cooperation between the two countries.

Implementation of the concluded treaty--apart from efforts to promote political unity and unanimity--brought new success to the economic, scientific, technical, and cultural cooperation between the two countries, thus testifying to the brighter prospects of the relationship between Vietnam and Czechoslovakia.

To celebrate the 30th anniversary of the signing of the first trade agreement between Vietnam and Czechoslovakia, we extend our sincere gratitude to the party, government and fraternal people of Czechoslovakia for their valuable support and assistance to and cooperation with our people.

Carrying out our party's guidelines, our people regard as one of their most important tasks the need to constantly strengthen their solidarity and all-round cooperation with the Soviet Union, Czechoslovakia, and other fraternal countries of the socialist community, make the best and most effective use of the great and valuable assistance given by our fraternal countries, and exploit in a most satisfactory manner all possibilities for cooperation in order to promote increased socialist economic integration within our community, accelerate the pace of national industrialization, and bring our economy to vigorous and steady activity.

We wish the fraternal Czechoslovak people--under the leadership of the Communist Party of Czechoslovakia by the esteemed Comrade General Secretary Gustav Husak--satisfactorily fulfill their 1985 plan and score even greater successes in implementing their coming 5-year plan.

CSO: 4209/583

INTERNATIONAL RELATIONS, TRADE AND AID

PARTY, STATE LEADERS GREET INDIAN INDEPENDENCE

OW141636 Hanoi VNA in English 1618 GMT 14 Aug 85

[Text] Hanoi VNA 14 August--Vietnamese state and government leaders today extended their warmest greetings to their Indian counterparts on the occasion of the 38th anniversary of the Independence Day of India (15 August).

The congratulatory message, jointly signed by Truong Chinh, president of the State Council, and Pham Van Dong, chairman of the Council of Ministers, was addressed to President Giani Zail Singh, and Prime Minister Rajiv Gandhi, of the Republic of India.

The message says:

The date of 15 August 1947 has gone down in the Indian people's history, the victorious end of their heroic struggle under the leadership of Mahatma Gandhi and Jawaharlal Nehru against the slavery of colonialism, and as the opening of a new era for great [words indistinct].

"Nearly 4 decades have elapsed since then, within this period though short as compared with the 1,000-year history of their nation, the Indian people, with the spirit of independence, self-reliance, creativeness and staunch fighting, have surmounted untold difficulties and trials, obtained great and wonderful achievements in building a prosperous country and a happy life, in foiling the schemes of intervention and acts of sabotage of imperialism and international reaction, and in defending the independence, sovereignty, unity and territorial integrity of the Republic of India.

"With its leaping growth, India has now become an important factor for the defence of peace, national independence, democracy, social progress and development in South Asia, Asia and the world as a whole. With its important international roles, especially the role as the chairman of the Non-Aligned Movement, India has contributed to the realization of the movement's correct objectives and principles, and to the struggle against the schemes of division and sabotage of the imperialist and international reactionary forces. The Vietnamese people and the whole progressive mankind respect and highly value India's positive contributions to the Non-Aligned Movement.

"We note with joys that the all-sided relations between our two countries have constantly developed with bright prospects in the interests of our two peoples.

"We would like to avail ourselves of this opportunity to convey to our fraternal Indian people and to you personally our profound sentiment and sincere gratitude for the precious and generous support and assistance that the Indian Government and people have extended to the Vietnamese people in their liberation struggle in the past as well as their national construction and defence at present.

"May the fraternal Indian people obtain still greater successes in their national defence, construction and development.

"May the friendship and multi-faceted cooperation between our two countries further consolidate, strengthen and develop," the message says.

CSO: 4200/1382

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN EDITORIAL GREETES INDIAN NATIONAL DAY

OW150801 Hanoi VNA in English 0709 GMT 15 Aug 85

[Text] Hanoi VNA 15 August--"The Vietnamese people rejoice at the big achievements recorded by the fraternal Indian people in national construction and defence," says NHAN DAN in an editorial today marking the 40th anniversary of the National Day of India (15 August).

The paper says:

"India has set a bright example of self-support in national construction as well as in the tireless struggle for independence and freedom. It has made major contributions to the realization of the goals of the Non-Aligned Movement, to the struggle for peace, security, national independence and social progress in Asia and the world as a whole. India's international prestige is rising continually."

The paper goes on:

"The relations between Vietnam and India have stood the test of time. The friendship and cooperation between the two nations fostered by President Ho Chi Minh and President G. Nehru have constantly blossomed. The successful visit to the Republic of India last September by party General Secretary Le Duan and the meeting between State Council President Truong Chinh, President Zail Singh and Prime Minister Rajiv Gandhi last October marked new and brilliant developments of the friendship and cooperation between Vietnam and India."

"The Vietnamese people sincerely thank the Indian Government and people for their support for and warm feeling about the Vietnamese people's revolutionary cause. They are confident that under the leadership of the Indian Government headed by Prime Minister Rajiv Gandhi, the courageous, industrious, creative and united Indian people will certainly obtain still greater successes in carrying out the tasks under the Seventh 5-Year Plan to realize the dream of Jawaharlal Nehru, Mahatma Gandhi and Indira Gandhi of transforming India into a powerful and prosperous country. They wish the friendship and cooperation between Vietnam and India, between the Indochinese countries and India, further consolidation and development in the interests of each nation, of peace, stability, cooperation and friendship in Southeast Asia, South Asia, Asia and the world as a whole," the paper says in conclusion.

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN MARKS VICTORY OVER JAPANESE IMPERIALISM

OW150805 Hanoi VNA in English 0720 GMT 15 Aug 85

[Text] Hanoi VNA 15 August--Knowing the full value of peace, freedom and independence, the Vietnamese people are resolved to make the greatest contribution to the vital struggle of all nations in defence of peace, and life on this planet, against the danger of a nuclear war, says NHAN DAN today.

The Vietnamese people, the paper goes on to say in an editorial marking the 40th anniversary of the victory over Japanese fascism, are proud that their revolution has been an active part of the anti-fascist and national liberation movement in Asia. Under the Indochinese Communist Party's leadership, the Vietnamese people availed themselves of the opportunity created by the Soviet Army's victory, victoriously waged the August revolution and established the first peasant-worker state in Southeast Asia.

The paper quotes President Ho Chi Minh, founder of the Vietnamese party and state, as saying: "The heroic Soviet Army's victories in smashing the German state of Hitler and then Japanese militarism were a great contribution to the triumph of the Vietnamese general insurrection on 19 August 1945 which led to the establishment of the Democratic Republic of Vietnam."

"Today, in celebrating the victory over Hitler fascism and Japanese militarism, nations cannot yet look confidently forward to the future. This is because the world situation is evolving in a very complex manner. For many years now, imperialism, headed by U.S. imperialism, has not relinquished its ambition to turn back the wheel of history and to impose its will on nations. It has stepped up the nuclear arms race and tried to disrupt the existing military and strategic balance."

The paper notes that the Vietnam-USSR statement has made it amply clear that the two countries will remain loyal to the object of turning Asia into a region of peace and equal cooperation and of intensifying the search for a constructive settlement, agreeable to all sides, of the questions relating to peace and security in Asia-Pacific region which is most populated area in the world and most prone to changes. Again, on this occasion, we affirm our readiness for dialogue, bilateral or multilateral, in this spirit. We are certain that peace and stability is the cherished desire of all nations in this region. We are confident that an all-Asia forum should be held in the future to examine the questions relating to the preservation of security in this continent.

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

RECISION OF CLARK AMENDMENT--Hanoi, VNA, August 2--The Vietnam Federation of Trade Unions yesterday voiced strong support for the Angolan labourers and people in their struggle against the U.S. intervention and sabotage. The federation said in a message: "The Vietnamese working people and trade union organizations energetically protest against the U.S. Congress's decision to annul the 'Clark Amendment', which paves the way for the Reagan administration to resume its financial and military aid to the reactionary groups in Angola and materialize its dark designs against the People's Republic of Angola. "We affirm our full and firm support for the Angolan people's just and surely-victorious cause of defending their revolutionary gains, and building their country into a prosperous one and a new and happy life." [Text] [Hanoi VNA in English 1532 GMT 2 Aug 85 OW]

HUNGARIAN AID RECEIVED--Hanoi, VNA, August 2--Hungarian Charge d'Affaires A.I. Jozsef Nyerki recently handed over here to Vietnam more than 38 tons medicines, clothes, wool blankets, fabrics and foods as gifts from the Hungarian Solidarity Committee to the Vietnamese people. Trinh Ngoc Thai, secretary general of the Vietnam Committee for Solidarity and Freindship With Other Peoples who acted on behalf of the committee for the reception of aid, received the gifts and expressed sincere thanks to the Solidarity Committee and people of Hungary. Present at the reception ceremony were Sung Dai Dung, Vice chairman of the People's Committee of Ha Tuyen Province and Mars. Do Thi Tai, head of the Committee for the Reception of Aid. Later on the gifts were transfered to the people of the northern border province of Ha Tuyen. [Text] [Hanoi VNA in English 1534 GMT 2 Aug 85 OW]

USSR, MPR PHOTO EXHIBIT--Hanoi, VNA, August 2--A 120-photo exhibition on "the days of Vietnamese culture" in the Soviet Union and Mongolia was opened here today under the sponsorship of the Ministry of Culture. Among those present at the opening ceremony were Hoang Tung, secretary of the Communist Party of Vietnam Central Committee; and Van Phac, member of the CPV CC and first vice minister of culture. Soviet and Mongolian Charge d'Affaires A.I. Y. Miakotnykh and Tserendorjiin Schuluun were on hand. [Text] [Hanoi VNA in English 1537 GMT 2 Aug 85 OW]

NOVOSTI BUREAU MARKS JAPANESE DEFEAT--Hanoi, VNA, August 2--A teach-in was held here today by the Hanoi Bureau of the Soviet "NOVOSTI Press Agency" on the occasion of the 40th anniversary of the victory over Japanese militarism.

It was participated among others by Charge d'Affaires A.I. Yuri Miakotnykh and Phan Quang, head of the press department of the Commission for Education and Propaganda of the Communist Party of Vietnam Central Committee and deputy secretary general of the Vietnam Journalists' Association. Addressing the teach-in, Yuri Miakotnykh recalled major developments in the process of defeating Japanese militarism 40 years ago, and brought out the historic significance of the Soviet Army's victory over Japan's Kwantung force, the backbone of Japanese militarism, which led to the Japanese militarists' surrender and the liberation of many Asian nations. However, the Soviet diplomat pointed out, the Japanese ruling circles have refused to learn the lessons of history and are engaging in a frenzied armament campaign aimed at reviving militarism, thus causing tension in Asia and the Pacific. The participants spoke of the decisive role of the Soviet Union in smashing Japanese militarism and the contributions of various Asian countries, including Vietnam, to defeating the Japanese militarists in southeast Asia. They agreed that people in the region now must continue their struggle to prevent the revival of militarism, avert the danger of a nuclear war and build the region into one of peace, stability and cooperation. [Text] [Hanoi VNA in English 1538 GMT 2 Aug 85 OW]

CPV GREETES GUYANESE PARTY--Hanoi, VNA, August 3--The Central Committee of the Communist Party of Vietnam has sent warmest greetings to the 22d Congress of the Guyanese People's Progressive Party. The congratulatory message says: "Your congress takes place at a time when the situation in the world, especially in Central America and the Caribbean, grows further strained and complicated as a result of the Reagan administration's new escalations of war against Nicaragua and its schemes to smash the Salvadorian patriots' struggle. We believe that, by promoting the G.P.P.P.'s long-standing tradition of struggle, your congress will be crowned with brilliant success, therefore creating new developments in uniting the revolutionary, democratic and Progressive forces in Guyana in the struggle against imperialism and its henchmen, and contributing to the common struggle of the peoples in Latin America and the Caribbean struggle of the peoples in Latin America and the Caribbean for peace, national independence, democracy and social progress." The message wishes the 22d Congress of the Guyanese People's Progressive Party great success and the relations between the parties and peoples of Vietnam and Guyana further consolidation and development. [Text] [Hanoi VNA in English 1517 GMT 3 Aug 85 OW]

LAO RADIO ANNIVERSARY--Vientiane, 16 August (KPL)--The Directorial Board of the national radio received yesterday a message of greetings from Tram Lam, editor-in-chief of the Vietnam Radio, on the occasion of the 25th founding anniversary of the Lao National Radio. The message, conveying best wishes and warm congratulations of the Vietnam Radio personnel to the Lao side, praised the past 25 years' achievements of the Lao National Radio whose work has been guided by the Lao People's Revolutionary Party. The message also hailed the remarkable solidarity, special friendship and all-round cooperation between the two countries as well as between their radio services. The message wished for greater success and further strengthening of the friendly relations, solidarity and cooperation between the Lao National Radio and the Vietnam Radio. [Text] [Vientiane KPL in English 0913 GMT 16 Aug 85 BK]

30 August 1985

FOREIGN SPECIALISTS DEPARTMENT--Some 30 years ago, the Foreign Specialists Department [CUCJ Chuyeen Gia] was set up and given the duty of joining with various ministries and sectors in formulating policies and procedures concerning the specialists sent to Vietnam by various fraternal countries to help our people heal the wounds of war and develop economy and culture. In serving the foreign specialists, our state has applied many preferential policies to cater to their spiritual and material needs, showing our people's hospitality to the experts from various countries, and creating many favorable living and working conditions for them. The Foreign Specialists Department has been awarded the Labor Order, First Class, by the state for its achievements in serving tens of thousands of specialists from the Soviet Union and other countries over the past 30 years. [Text] [Hanoi Domestic Service in Vietnamese 0500 GMT 11 Aug 85 BK]

DANUBE TRANSPORTATION CONSORTIUM--The 37th shipment of goods to Vietnam of the Danube Sea and River Transportation Corporation arrived at the Saigon port on 1 August. Established in 1978, this shipment company is a large transportation consortium of four nations in the Danube River region--The Soviet Union, the CSSR, Hungary, and Bulgaria. In the past 37 trips, the freighter ("Julius Fusik") of the corporation has carried a total of 1 million metric tons of imported and exported goods for Vietnam and Cambodia. [Excerpt] [Hanoi Domestic Service in Vietnamese 0500 GMT 11 Aug 85 BK]

CSO: 4209/583

PARTY ACTIVITIES AND GOVERNMENT

HOANG PHUONG ON HO CHI MINH MILITARY OUTLOOK

OW060034 Hanoi VNA in English 1615 GMT 5 Aug 85

[Presidnet Ho Chi Minh's Military Thinking. Lieutenant-general Hoang Phuong, director, Institute of Military History"--VAN "Supplement No. 30" Headline]

[Text] One of the most precious legacies left us and the generations to come by President Ho Chi Minh is his military thinking. It is a basic and decisive factor laying the foundations for the correct and creative military policy of the Communist Party of Vietnam.

President Ho's military thinking is a system of knowledge about theories on revolution and the use of force, on armed uprising and people's war, on the building of the people's armed forces, the rear areas and the all-people national defense, on leadership of war and military art aimed at defeating all aggressors in the conditions of the Vietnamese people rising up from a colonial and semi-feudal regime to fight for independence and freedom and advance to socialism.

This was a result of the creative application of Marxism-Leninism to the practical conditions in Vietnam, the combination of the nations' fine traditions with the wisdom of mankind in the new era, the combination of the ideals of independence and freedom and the ideals of communism, ardent patriotism with genuine proletarian internationalism.

The fact that President Ho assimilated Marxism-Leninism and decided that proletarian revolution was the path to national salvation has had a decisive influence on the shaping of his military thinking. Firmly grasping the essence of Marxism-Leninism, and clearly realizing who the enemy of the nation was, President Ho held from the outset that there was no other way than that of revolutionary force to drive out the foreign aggressors.

But how could we succeed in using revolutionary force when our enemy was the brutal imperialists whose administrative machine was experienced in suppression, who had an enormous military and economic potential, when our people were still being controlled and enticed by them, when we were still unarmed, still inferior to them both militarily and economically?

President Ho's military thinking stemmed from his determination. He said: "Whatever sacrifices we have to endure and however long the war of resistance will last, we are determined to fight to the end, until Vietnam is completely independent and reunified" and "Nothing is more precious than independence and freedom."

He said that the task of the entire people in revolutionary struggle in general and in armed struggle in particular, is to seek all ways and means to defeat the enemy, however strong and whoever he is. He said the demand for success was set to the whole revolutionary cause of our people, from the seizure of power and the defeating of all enemy offensives to the defense of the revolutionary gains so that our country may maintain its complete independence and unity and advance to socialism.

He explained: "We have made sacrifices for the revolution, so we should carry it through. In this way, we will not have to make sacrifices many times, and the people will be happy."

To achieve complete victory, the revolutionary cause of the people must absolutely be led by the party. Armed struggle must be carried out under the guidance of the party. Military considerations must submit to political considerations. This is a constant of the president's military thinking and a principle he set to conduct the war, to organize and train the armed forces, and solve the relationship between armed struggle and other forms of struggles; between the army and the people, between the army and the party and the revolutionary administration.

Our armed forces have always thoroughly carried out all the guidelines, policies, and resolutions of the party, demonstrating their loyalty to the revolutionary cause of the party and the people. All over-estimation of one's contributions, all manifestations of conceit, all viewpoints contrary to the policies and guidelines of the party, all wrong acts toward the people, were criticized in time.

While underscoring the necessity of the party's leadership of the liberation struggle, President Ho paid great attention to encouraging, educating, and organizing the entire people to rise up to fight against the aggressors.

His stance was to involve the entire people in the fight against the enemy, thus forcing the latter to fight, not only against an army but against an entire nation.

He said: "The 31 million Vietnamese people, both in the north and the south, men and women, old and young, must be 31 million fighters in the struggle against the U.S. imperialists, for national salvation, for the final victory."

In his opinion, the entire people must fight the enemy in all fields: military, political, economic, cultural. This struggle would create a great strength to bring the resistance to success. The two wars of resistance against the French colonialists and the U.S. imperialists have substantiated his idea of nationwide and all-out resistance.

Being much stronger than us militarily, the enemy planned to wage a lightning war and win a quick victory. To defeat the powerful and modernly equipped aggressor army, President Ho and the party used the strategy of protracted war of resistance in order to develop our forces and gather more experience.

This strategy was aimed at gaining time to tip the balance of force between our army and the enemy in our favor, to turn the positive factors of the resistance into material and moral strength.

Getting bogged down in a protracted and unjust war, the enemy would sustain losses in men and material, would be condemned by public opinion; their internal contradictions would be more acute, their forces would weaken, and they would eventually suffer total defeat. President Ho said: "So long as there remains an aggressor in our country, we must continue our fight to wipe him out."

The strategy of protracted war, however, did not mean passive resistance. On the contrary, our entire people and army had to do their best to win final victory as quickly as possible. In short, this protracted war of resistance meant a positive process of fighting against the enemy under the guideline of using a small and weak army against a big and strong one.

President Ho's idea of offensive warfare helped our army and people to hold the initiative of action, forcing the enemy to cope with our ways of fighting. With the battle array of a nationwide resistance, we fought the enemy everywhere, in the mountain areas, the countryside, and the urban centers, using suitable forms and methods of combat. President Ho's idea of offensive warfare did not deny the necessity of taking defensive measures. But, he said, it was an active defense, which did not mean to cower in one place and let the enemy strike you at will.

President Ho attached paramount importance to guerrilla war, considering it a main component of the revolutionary war in Vietnam and a fundamental method to mobilize the entire nation to fight the enemy.

Guerrilla war forced the enemy to scatter their troops to cope with our forces, creating conditions for our main force to defeat them. Wherever they went or stayed, they were attacked even in areas under their occupation. Under such conditions, they could neither eat nor sleep in peace. Their forces were worn out physically and mentally. The quick development of guerrilla war would create favorable conditions for the building of the army, especially of the main force units.

Nevertheless, guerrilla war did not meet the demand of destroying the enemy's [word indistinct] multi-division regular units so as to end the war. Therefore, guerrilla war must be stepped up to create conditions for shaping and developing conventional war carried out by mobile multi-division groups of the regular army. The close combination of these two types of war gave the people's war increasing strength to overpower the enemy in the last stage of the war to win total victory.

Another great concern of President Ho's was to organize forces to fight the enemy. He said:

"To liberate our country, we must fight the Japanese fascists and the French colonialists. To fight them, we must have military forces. To have military forces, we must organize them." Self-defense and guerrilla teams and the propaganda unit of the Vietnam Liberation Army--forerunner of the present People's Army--offsprings of the revolutionary and mass organizations set up and operating under the leadership of the party. [sentence as received] They were "good seeds" for the building of the people's armed forces, the core of the nationwide struggle against the foreign aggressors.

President Ho Chi Minh ordered the building of armed forces comprising the militia and self-defense forces, (operating respectively in rural and urban areas), the territorial armies and the main force regular army. These units had their own functions. They were built rationally, coordinated with and helped one another to fight and to develop. The quality of these different forces stemmed from the party's leadership and their close, blood-sealed relations with the people. No wonder that our army, having to fight right after its birth, was able to fulfill its tasks, grew quickly and became stronger the more it fought.

To ensure the success of the resistance, we had to build a rear area firm in all respects. In the period of preparation for the general insurrection, President Ho Chi Minh paid great attention to the building of military bases. During the anti-French resistance he showed even greater concern for the building of the rear areas. Without a firm rear area, a protracted war of resistance cannot succeed. For this reason, President Ho Chi Minh took care to strengthen all factors ensuring a firm rear area, from building the administration at all levels, boosting production, eliminating illiteracy and developing culture to organizing fighter villages, educating children, keeping state secrets, and keeping vigilance against traitors.

These combined measures helped our resistance machine to run uninterruptedly, to become stronger daily, and enabled our people to carry out the slogan "to build the country while fighting the enemy", with the spirit of relying mainly on their own forces on the one hand, and on the other, eliciting sympathy and support from fraternal countries, and to fulfill their internationalist obligations.

President Ho Chi Minh attached great importance to a correct appraisal of the enemy to find out effective ways to fight them. He recommended cadres and soldiers to uphold vigilance, not to indulge in wishful thinking and underestimate the enemy, to keep secrets, to destroy the enemy's forces, capture enemy troops, seize their weapons, and preserve our forces. He recommended the use of main force units at the right moment and the right place to quickly destroy the enemy and train and develop our forces.

He said that armed struggle must be combined with political and diplomatic struggle and willful strategy must be combined with flexible tactics. These guidelines were carried out creatively by our army and people, bringing remarkable results.

President Ho Chi Minh was a great thinker and an experienced activist, who always had close relations with the people, and learned experiences from the people to lead them.

In the revolutionary struggle as a whole and in military struggle specifically, his clear-sightedness and talent were brilliantly demonstrated in meeting the basic demands of the revolution in very difficult and complex conditions as well as in each concrete situation.

With his broad vision he fully realized the weak points of the enemy, which he turned to account, making it impossible for them to grow stronger.

With his firm belief in the strength of the people, he brought revolutionary ideas to the people, called on them to do things suited to their knowledge and practical life, thus arousing and multiplying many fold this strength, turning it into extraordinary revolutionary deeds to defeat the enemy.

CSO: 4200/1325

PARTY ACTIVITIES AND GOVERNMENT

CPV SECRETARIAT ON SUBWARD PARTY ORGANIZATIONS

BK051244 Hanoi NHAN DAN in Vietnamese 20 Jun 85 p 1

[Text] On 14 June the party Central Committee Secretariat issued a decision on the working regulations of subward party organizations.

The regulations clearly pointed out that the functions and duties of subward party organizations consist of leading all aspects of subwards' activities in strict accordance with the line and policies of the party and state. Party organizations must ensure that subwards really are the places where the working people's right to collective mastery is developed and the three revolutions are simultaneously carried out in order to promote economic and cultural development, organize the people's lives, guarantee political security and public order and safety, satisfactorily fulfill national defense duties, and perform the tasks of the rear base of the army.

Subward party organizations lead and launch mass movements to fulfill all tasks. Through these movements, they should educate and train the masses; build organizations; train, screen and recruit new party members; select and promote cadres; and exercise leadership to ensure that the working people's right to collective mastery is implemented in all fields and that all interests and obligations of citizens are fulfilled. Subward party organizations have the concrete duties of leading the formulation and implementation of socio-economic, national defense, and security plans; building administrative organizations, mass groups and organizations, and working collectives; ensuring the masses' right to collective mastery; building the contingent of cadres and carrying out cadre work in subwards; contributing opinions to the upper echelons by holding discussions and contributing suggestions to the making of decisions on issues concerning the party's general line and policies; and combining the opinions and creative experience of cadres, party members, and the masses. Concerning the relations in implementing the system of "the party's leadership, the working people's collective mastery, and the state's management" in subwards, the regulations pointed out the leadership of party committees, chapter committees, and primary party organizations over the administration, the mass organizations, labor collectives, and economic, cultural, educational, public health organizations...in subwards. The regulations dealt with the working people exercising their right to collective mastery through their mass organizations under the leadership of party committees. The regulations also spelled out the managerial responsibilities of subward administration and determined the procedures for the work, activities, and management of party members and party organizations.

CSO: 4209/565

PARTY ACTIVITIES AND GOVERNMENT

NHAN DAN ON IMPLEMENTING 8TH PLENUM RESOLUTION

BK051351 Hanoi Domestic Service in Vietnamese 2300 GMT 2 Aug 85

[NHAN DAN 3 August editorial: "Implementing the Fifth Party Central Committee's Eighth Plenum Resolution: The Responsibility of the Sectors and Organs at the Central Level"]

[Text] Solving the questions of prices, wages, and money in accordance with the spirit of the eighth plenum resolution, which is to introduce the new economic management system, is not a task that can be finished with a single stroke or solve all problems in a short period of time. This is only the first step in a new stage of socioeconomic supervision and management by our party and state.

However, no matter how difficult and complicated, we must overcome this extremely important opening step in order to pave the way for subsequent steps, and ensure that a new management system is established consistently and applied consciously. Switching to the new system is not the ultimate aim but only the opening step in a new stage of economic activity and a means to promote the working people's right to collective mastery and develop the country's existing capabilities and potentials in manpower, arable land, various branches and trades, and material and technical bases.

By developing and optimally using these capabilities and potentials, favorable conditions will be created for us to step up economic development, stabilize life, accelerate socialist transformation, secure budgetary and cash balances, ensure a source of capital accumulation in support of socialist industrialization, consolidate national defense and security, and gradually and successfully build socialism.

The effort by various localities to completely replace payment in kind with money, sell goods under the one-price retailing system, and include wages in production costs is also an initial step to prepare and create favorable conditions for the application of the new system on prices, wages, and money and the new management mechanism to abolish bureaucratic centralism and subsidization and completely switch to socialist economic accounting and business. This is a completely new task.

It is extremely difficult and complicated for us to abolish an old system, old practices, and old regulations in order to embark on a new era of management with new regulations, new work methods, and new ideas. There will be weaknesses, shortcomings, and new problems that must be solved. Such a tremendous struggle, which must be carried out in an evenhanded manner, is an important and pressing task of our entire party, people, and armed forces and the responsibility of all echelons, localities, and sectors and organs at the central level.

Prices, wages, money, and goods constitute extremely important problems that concern every aspect of our socioeconomic life. To solve these problems, it is necessary not only for all localities to adequately and firmly prepare for and remain dynamic and active in the implementation of the eighth plenum resolution; it is also necessary for all sectors and organs at the central level to effect vigorous changes so that, together with all localities, they can implement this resolution.

In the recent past, many sectors, ministries, and organs at the central level have closely coordinated with and actively assisted various localities, especially such large cities as Hanoi and Haiphong, in replacing payment in kind with money, selling goods under the one-price retailing system, and including wages in production costs. They have also helped these localities carefully discuss various matters in accordance with the spirit and content of the eighth plenum resolution, examining various concrete plans, and actively solving specific problems concerning cash and goods, especially grain and consumer goods.

The ministries of foreign trade, home trade, maritime products, light industry, food industry, agriculture, and food have delivered and are delivering to Hanoi a large volume of goods worth hundreds of millions of dong. The communications and transportation sector has mobilized all means of transportation to move large quantities of goods, especially grain, to Hanoi while the finance and banking sectors have assisted it in solving the problem of cash.

However, in implementing the eighth plenum resolution, apart from the results obtained and new advantages, there are many difficulties and new problems which still cannot be overcome or solved by various localities. These include problems concerning money, goods, transportation, procedures, and policies under the new situation.

Various ministries and sectors and organs at the central level should stay close to all localities and keenly understand their new problems in order to promptly and actively join or guide them in solving these problems, as well as to intensify inspection and supervision work. If there is no close coordination between localities and the finance and banking sectors, urgent money distribution and related procedures in particular may cause difficulties and delays, thus adversely affecting production and the livelihood of laborers.

While applying the new production and business methods and new management system along with solving the price-wages-money question, all must also pay attention to accelerating production. A slow-down or decrease in production

will adversely affect the implementation of the eighth plenum resolution, the control of goods and money, the management of the market, and even the income of laborers.

While performing work related to prices, wages, and money, all localities must not divert attention from the most important task--striving to increase agricultural production, especially grain production, and develop industrial and handicraft production, particularly consumer goods production. This task requires the coordination and active assistance of various sectors and organs at the central level in promptly supplying materials, energy, fuel and spare parts.

The implementation of the eighth plenum resolution requires that our entire party and people and all sectors and echelons achieve unity of will and action and uphold the sense of organization and discipline.

Various sectors and organs at the central level are duty-bound to guide, assist, and coordinate with all localities and grassroots units in paying wages with money, selling goods under the one-price retailing system, including wages in production costs, and preparing for the application of the new management system. It is also the duty of these sectors and organs to contribute positively to implementing the eighth plenum resolution in prices, wages, and money.

CSO: 4209/565

NEW METHOD OF CALCULATING WAGES, PRODUCTION COSTS INITIATED

Hanoi NHAN DAN in Vietnamese 10 Jun 85 pp 1, 4

/Article by Dang Minh Phuong: "Quang Nam-Da Nang 2 Months After Incorporating Price Subsidies in Wages and Beginning To Include Wages in Production Cost"/

/Text/ True Figures

Since early April 1985, Quang Nam-Da Nang Province has discontinued the use of all types of ration stamps and coupons, shifted to the system of paying cash instead of supplying goods to cadres, workers and office employees--in other words, to the incorporation of price subsidies in wages--and begun to include wages in the production cost in some enterprises located in the province.

For more than 2 months, the implementation of this policy has revealed many complex difficulties arising from this new method but has also shown its positive, manifold effect. It has answered many worrisome questions put previously, such as "Can the state retrieve the large amount of cash it has to disburse?," "Will the commercial sector have enough staple commodities to meet the demand of buyers after they have received the price subsidies?," "Will market prices soar suddenly?," and so on.

When preparing to incorporate price subsidies in wages, the province reckoned the number of people about to receive price subsidies and used it as a basis to determine the wage fund and to estimate the necessary budget and amount of cash. According to primary data provided by all sectors, the total number of cadres and manual and office workers subordinate to the central level and stationed in the provincial territory plus the total number of provincial cadres and manual and office workers came to 205,991 (excluding social welfare recipients). But a fairly great discrepancy was found when examining these data before paying the new salaries and balancing up the books for April 1985. According to the former records, the central-level personnel numbered 88,203 (including those working in the administrative, production and business fields and their dependents) but when price subsidies were actually added to their salaries, it was found that their total number was only 61,934--a reduction of 26,269 persons. Likewise, the total number of provincial employees was 72,175 according to the former records but has now dropped to 63,010 which is the actual figure and which represents a reduction of 9,165 persons. Generally speaking, after price subsidies have been added to wages, the total number of

employees at the three levels--central, provincial and district--is smaller than that prior to the payment of subsidies. This reduction in personnel has led to a reduction in the estimated wage fund: a decrease of over 37 million dong for the central-level wage fund and over 16 million dong for the provincial-level wage fund.

The abolition of ration stamps and coupons and the full payment of wages in cash have led to the disclosure of many "ghost" figures, many inaccuracies in the payrolls of administrative agencies and production and business installations, and many loopholes in the organizational area and in the management of laborers and their dependents. The first step is the disclosure of hundreds of cases of irregular issuance of ration stamps and coupons and has resulted in a monthly saving of 13,448 kg of rice and in the retrieval of stamps and coupons representing a great value. The province is now directing the sectors concerned to revise their books completely and accurately in order to detect negative practices so far concealed under the ration stamp and coupon system.

Acquisition of Goods and Money and Management of the Market

In its resolution on the payment of price subsidies in addition to wages and the inclusion of wages in production cost, the Quang Nam-Da Nang Provincial VCP Committee Standing Committee has set forth urgent and firm measures to expand the socialist commercial network, to change the business and commercial method, to step up the purchase of goods, to grasp their sources, to manage the market, to transform private industry and trade along socialist lines, to improve banking activities to collect the money being circulated in society and put it in the hand of the state, to accelerate capital turnover, to exploit revenue sources, to limit administrative expenditures, to enforce strict thrift to balance the budget and avoid disrupting planned budget appropriations, and so on.

In compliance with the above-mentioned resolution, the provincial commercial sector has readjusted its plan to achieve a proportional stock of goods, to exploit merchandise sources and to meet the needs of cadres, workers, office employees and the armed forces and also the demands of society. In the 2 months of April and May, the state trade sector in the province newly opened 20 shops, 90 selling places, 169 sales counters and 267 sales agencies, installed 1,167 seats in restaurants and beverage shops, set up 65 mobile sales teams and increased their working hours. There are 52 newly opened joint state-private commercial shops. In Da Nang City proper, there are 42 shops involving 406 households and a capital contribution of nearly 20 million dong. The turnover of these shops has increased in comparison with the past. For eight jointly operated shops in the Da Nang commercial center, the monthly turnover has tripled and the amount of tax paid to the budget more than doubled.

The commercial sector has had to properly collect grain from the winter-spring crop (which is rather abundant this year in Quang Nam-Da Nang) and, at the same time, to organize a network to sell rice to cadres and manual and office workers and to ensure its good quality. In the space of only 1 month, the sector has opened 53 new shops with 103 selling places including 12 shops and 40 selling places in Da Nang City proper.

Ever since the addition of price subsidies to wages 2 months ago, the turnover of both the commercial and grain sectors has increased sharply.

For the commercial sector, the total sale value in April showed an increase of 13 million dong over March and in May it exceeded that in April by 59 million dong while the cash revenue in April showed an increase of 29 million dong over March and that in May exceeded that in April by 20 million dong. Following the addition of price subsidies to wages, the total quantity of rice sold to cadres and manual and office workers remains nearly the same as before while the price of a kilogram of rice is still 5 to 6 dong lower than in the market and buyers still can use their ration books to buy it in fixed quantities.

The incorporation of price subsidies in salaries has prompted the commercial and grain sectors to shift to the socialist accounting and commercial method, thus starting to carry out trade in a civilized manner. To buy goods on presentation of ration stamps and coupons, cadres and manual and office workers no longer have to stand in a line and wait in front of rice and meat shops. In the past, they had to accept poor-quality goods because if they did not, their stamps and coupons would become useless and they would sustain losses since these goods were sold at dirt-cheap prices, "almost given free," so to speak. This situation no longer exists. Today, the buyer can freely use his money to buy goods. The overbearing attitude of commercial shop employees has vanished and been replaced by respect for the buyer. On the other hand, the commercial sector must firmly take incentive measures to improve management and intensify business activities, keep abreast of the buyer's needs and clearly understand them and respond to them, improve the composition of its stock in trade in order to render satisfactory service while doing a profitable business, and purchase the right goods at the right sources and sell them to the right buyer in order to collect money and turn over capital.

The Cash Problem

Cash is a problem requiring great attention when incorporating price subsidies in salaries. Like many other localities, so far Quang Nam-Da Nang has been short of cash. The province now has to spend a huge amount of cash to incorporate price subsidies in salaries. When the province started paying price subsidies in April, it was the time to purchase paddy, cinnamon, sugar, southern fish, goods for export and so forth. Faced with this situation, the provincial banking sector had to make great efforts: On the one hand, it coordinated with the home trade and grain sectors and marketing cooperatives to intensify the sale of goods; on the other, it calculated the cash balance and asked the central bank to lend more money to buy commodities.

As a result, compared with March, the cash income of the province in April and May showed an increase of 190 and 303 million dong, respectively. Instead of causing any excess in cash disbursement, the incorporation of price subsidies in salaries brought about a surplus income. In the 2 months of April and May, Quang Nam-Da Nang spent 280.9 million dong on price subsidies alone (excluding wages). During that period, the money derived from the sale of rice to cadres, workers and office employees increased by 149 million dong in comparison with March and the sum collected from the sale of 8 categories of goods in fixed

quantities also increased by 213 million dong over March. Thus, the total money collected from the sale of goods to cadres, workers and office employees exceeded the amount spent on price subsidies by 81.1 million dong.

At the same time, there was an excess expense which was, however, incurred only by the purchase of seasonal agricultural and marine products and not by the incorporation of price subsidies in wages. In fact, the money used for this purchase in April surpassed that in March by 161 million dong and the sum spent in May showed an increase of more than 200 million dong.

The payment of price subsidies together with salaries has thus increased the amount of money used to purchase merchandise.

While paying price subsidies together with salaries, Quang Nam-Da Nang has provided an additional allowance amounting to 20 percent of the total subsidized salaries in order to further improve the living conditions of cadres, workers and office employees and also to cope with a possible slight rise in prices which cannot be immediately readjusted. This monthly allowance amounts to over 34 million dong, including 14.5 million contributed by the central level for payment to its subordinate cadres, workers and office employees stationed in the provincial area. This means that the provincial budget has to disburse over 20 million dong per month, which is merely an estimate and may be less in reality. The addition of price subsidies to wages does not at all increase the budget because it means the transfer of the fund designed to compensate for losses and price differentials to that used to pay this compensation directly to salaried employees so as to do away with the policy of buying goods at high prices and selling them cheaply. It means merely the shift from compensation the commercial sector for its losses to paying this compensation directly to salaried people.

In the past, there were cases when no expense was incurred or no money had to be spent buying fuel rations for cadres and manual and office workers in districts. Moreover, the provincial budget enither had to spend money paying allowances on the occasion of holidays and the Tet nor to make calculations to achieve a normal credit-debit balance.

Two months after the addition of price subsidies to salaries, market prices have become relatively stable in Da Nang Municipality, Hoi An and Tam Ky cities and all others places in Quang Nam-Da Nang Province. In some localities, the prices of certain commodities have risen very slightly: for instance, the per kilogram price of ordinary rice rose from 30 to between 31 and 32 dong and that of pork tenderloin from 180 to 190 dong. This rise is caused not by the incorporation of price subsidies in salaries but by the overall supply-and-demand situation and the reciprocal effect of regional and nationwide markets which is not confined to the territory of any province. This rise would have happened anyway even if price subsidies were not incorporated in salaries. Meanwhile, the price of pork in many provincial districts is lower than the price subsidy paid to cadres, workers and office employees. The price of sugar is very low in Thang Binh and Que Son Districts but nobody buys it. No sooner had state-operated shops posted the "Today we are purchasing sugar" sign than sugar sellers came in a crowd.

While incorporating price subsidies in salaries in the past 2 months, Quang Nam-Da Nang has tried to incorporate the subsidized wages in the production cost at six enterprises and factories, such as the Thuy Tu Cement Factory, the Hoa Khanh and 29-3 Textile Mills, and the Thang Binh Building Materials Enterprise. All these enterprises have been doing a better business than before. They have continued to make a profit and the state budget has received more money than in the past. The Thuy Tu Cement Factory and the Thang Binh Building Materials Enterprises have even earned larger profits than in the past. All these enterprises have brought into play the collective ownership spirit of cadres and workers, considered laborers important, paid attention to them and really enabled them to continue to work and keep their dependents. Today, workers fully utilize their working hours, associate their own interests with the product of their enterprises, try to increase productivity and ensure the quality of their product. Economical use of supplies, fuel and raw materials is becoming a habit.

There has been a clearcut change in the production situation following the incorporation of price subsidies in wages and the inclusion of subsidized wages in production cost. Workers and directors have jointly discussed ways to overcome material and energy difficulties and to improve product quality. At the Hoa Khanh Textile Mill, the quality of Class A products fulfilled 69.8 percent of the norm in March, 80 percent in April and 82 percent in May. At the Thang Binh Building Materials Enterprise, the labor force has not increased, but output has increased threefold and labor productivity sixfold while the volume of firewood used to bake each batch of 24,000 bricks has dropped from 2.4 to 1.6 m³. At the Thuy Tu Cement Factory, the electric power used to produce 1 ton of cement has been reduced from 198 to 170 kWh. The director of the Thang Binh Building Materials Enterprise said: "Today workers pay great attention to technical improvement and thrift. They compel directors to create permanent jobs. They no longer show indifference and quit their jobs to receive 70 percent of their salaries whenever there is not enough work to do." The director of the Thuy Tu Cement Factory told us: "Formerly, the party committee at the enterprise issued seven resolutions on improved product quality and the director drew up three plans to the same effect. However, customers continued to complain about product quality and cadres and workers had to discuss the product quality problem many times without finding a satisfactory solution because according to the complicated bureaucratic system, all goods had to be sold out regardless of their quality. Today, this working method is no longer acceptable because the production cost has risen, because the selling price differs from the past and because selling and buying are effected through mutual agreement and not under any party's pressure. The enterprise will go bankrupt if it cannot sell its product. If it makes a profit, this will be shared with everyone."

Problems Requiring Continued Solution

Before issuing its resolution on incorporating price subsidies in wages and starting to include subsidized salaries in production cost, the Quang Nam-Da Nang Provincial VCP Committee had discussed and considered many aspects and made adequate preparations to implement this resolution boldly without fear of difficulties no matter how great they might be and with the determination to do so at all costs. Nevertheless, it was impossible immediately to foresee all

situation developments. Therefore, some unexpected difficulties arose when the resolutuion was implemented. Following are some examples:

In Quang Nam-Da Nang, there are many retired cadres. As many as 16,000 of them are managed by the provincial War Invalids and Social Welfare Service alone. Under the former system of ration stamps and coupons, they received a small amount of money right in their own localities and used their ration stamps and coupons to buy rice and other commodities. Now that salaries are paid together with price subsidies, the sum of money received by each of them has increased so that all the formalities to be fulfilled prior to paying money to them (which are also examined to ascertain their conformity to system regulations) require the necessary personnel to do financial accounting and fulfill the cashier's function during the first stage. This requirement cannot yet be met by the personnel of the War Invalids and Social Welfare Service. It is thus impossible to pay salaries quickly at the beginning of each month, but retirement annuitants need to receive money immediately to buy rice and other staple commodities. Therefore, complaints are inevitable. On the other hand, some agencies and enterprises each have thousands of cadres, workers, office employees and their dependents. Documents must be examined carefully to make sure that salaries are paid to the rightful recipients and in conformity with system regulations. Therefore, delay cannot be avoided pending inspection and approval of these documents.

Some expenditure items have not yet been reckoned fully, such as that incurred for the supply of fuel and certain commodities to cadres, workers and office employees in districts under the pretext that formerly they were entitled to it and that they possessed ration stamps and coupons but could not buy because these goods were unavailable or did not want to buy because they would have to travel a long distance and spend much time standing in a line and waiting. Now that the monetary value of these goods must be calculated in paying price subsidies, a fully equivalent sum of money must be paid to these people. Another example is the greater expenses to be made to help students pay tuition fees and to cover the cost of hospital beds and other allowances after the abolition of ration stamps and coupons. Compared with the former policy of compensating for losses sustained in buying grain, the current payment of rice price subsidy to cadres, workers and office employees theoretically does not affect the budget but in practice requires that advance money be available to make payment and be refunded afterward. Therefore, complex difficulties are unavoidable at the outset. Unlike the loss compensation which was formerly paid quarterly or yearly, the disbursement to pay price subsidies must now be made immediately and monthly because any delay will affect the laborer's living conditions. For the commercial sector in the past, the stock in trade was assured according to the set quantitative norms and not to the amount to be bought by consumers so that it was easy to sell any merchandise in stock. Since this state of affairs is now unacceptable the stock in trade must be changed and the commercial sector must calculate exactly the needs of cadres, workers, office employees and society in order to do profitable business and to prevent merchandise and property deterioration for which nobody was held responsible.

Incorporating price subsidies in wages does not mean increasing salaries but taking a step to re-establish in merchandise distribution and circulation, labor

management and product cost calculation. By itself, this incorporation cannot yet eliminate irrationalities in the current wage system but can only disclose them and help find their solution.

Ever since the incorporation of price subsidies in wages, there are in Quang Nam-Da Nang many manual and office workers whose salaries are double or triple that of a director of enterprise or provincial service. In the case of an office employee whose wife is a trader and whose four out of eight children are considered his dependents, we have five persons--the father and his children--whose total salary is naturally double that of a service director whose wife and children live in the countryside and none of whom is considered his dependent.

Incorporating price subsidies in wages and including the fully subsidized salaries in production cost is taking a step to shift the whole management mechanism to economic accounting and socialist business with the objective of stepping up production, stabilizing the livelihood of the laboring people, strengthening national defense and security and intensifying socialist transformation.

This has been proven by realities in Quang Nam-Da Nang to be an extremely important, urgent and feasible policy which must be implemented because it has brought about good, visible results in daily life.

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CSO: 4209/539

BRIEFS

HAI HUNG 10TH-MONTH RICE--As of 5 August Hai Hung Province had planted more than 104,000 hectares of 10th-month rice, or 86 percent of the planned area. Minh Thanh, Chi Linh Districts, and Hai Huong City fulfilled their plan norms by 100-102 percent. The province is repairing dikes, improving irrigation, and strengthening water conservancy work to ensure sufficient water for various ricefields. Thanks to the early planting, some districts are currently harvesting their 10th-month rice. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 6 Aug 85 BK]

DROUGHT IN NORTHERN PROVINCES--Due to the recent drought many provinces in the North are faced with water shortage. At a peak period, more than 300,000 hectares of ricefields were urgently in need of water. Due to setbacks in harvesting the 10th-month rice is slower than the previous crop. The electricity, water conservancy, and agricultural sectors are coordinating closely to bring sufficient water to ricefields in various localities. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 6 Aug 85 BK]

HAU GIANG DROUGHT CONTROL--More than 74,000 hectares of summer-fall rice in Hau Giang Province have been seriously affected by drought. Long My, Thanh Tri, and Vinh Chau Districts, where large rice areas have been hit, are concentrating manpower and various means on combatting drought to save the rice. Various grassroots units are actively building embankments to retain water for cultivating the summer-fall and high-yield 10-month rice crops already sown. The supply sector has sent nearly 1 million liters of gasoline to various production installations to support drought control efforts. More than 100 pumping boats and various diesel and electric pumping stations in drought-stricken localities have received more fuel and have operated continuously to control drought. Owing to these all-out efforts, Hau Giang has managed to save tens of thousands of hectares of rice from drought. [Text] [Hanoi Domestic Service in Vietnamese 0500 GMT 3 Aug 85 BK]

TIEN GIANG GRAIN PROCUREMENT--In July Tien Giang Province procured 22,470 metric tons of grain, bringing to 177,824 metric tons the total volume collected since early this year. Tien Giang has also delivered to state granaries 114,115 metric tons of obligatory grain, or 57 percent of its plan norms. The province is currently harvesting the summer-fall rice. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 6 Aug 85 BK]

30 August 1985

SOUTHERN SHRIMP CATCH--Hanoi, VNA, 3 Aug--In the past 7 months, the state-run fishing enterprise of Ho Chi Minh City netted 248 tons of shrimp for export, up by 100 tons over the whole year of 1984. Thanks to the reorganization of its work force and the improvement of its managerial system, the enterprise, in the recent fishing season, caught almost 1,000 tons of fish, fulfilling its yearly plan. In the same period, the Mekong Delta Province of Tien Giang purchases from local fishermen 130 tons of lobsters for export. The province has invested V.N. Dong 70 million in marking off more than 3,000 ha for shrimp farming. [Text] [Hanoi VNA in English 0704 GMT 3 Aug 85 OW]

CSO: 4200/1299

HEAVY INDUSTRY AND CONSTRUCTION

VICE MINISTER ON 40 YEARS OF ELECTRICITY SERVICE

OW020807 Hanoi VNA in English 0706 GMT 2 Aug 85

[Text] Hanoi, VNA, August 2--The Vietnam electricity service has over the past 40 years made considerable contributions to national construction and defence.

In an article printed in the national daily NHAN DAN, Vice-Minister of Power Vu Ngoc Hai writers:

"In 1954, right after the liberation of north Vietnam from the French colonialists, the service made full use of existing power plants and reorganized production at those establishments, thus supplying electricity in time for production and the people's daily life in major cities. It build an additional number of boilers and new power plants in Vinh, Thanh Hoa, Lao Cai and Ban Thach and added to the national grid many 35-kv lines.

"Later, to fulfill the first 5-year plan (1961-65) with the guideline 'electricity goes one step ahead' the service built thermal power plants in Viet Tri, Thai Nguyen, Ha Bac and Uong Bi and the Thac Ba hydro-electric power plant, increasing the total capacity of nine plants by 2.7 times compared with the past.

"During the U.S. wars of destruction, power plants in the north were main targets of U.S. planes. U.S. aircraft and warships made 1,652 attacks on power plants in the north. The Hon Gai, Cua Cam and Vinh power plants were hit by more than 8,000 bombs dropped by U.S. planes. The Ham Rong power plant in Thanh Hoa Province was subject to 23 U.S. airstrikes. The Yen Phu, Thai Nguyen and Viet Tri power plants were once targets of U.S. carpet bombings. Nevertheless, the service kept on operating.

"From 1973-75, the Thai Nguyen, Thac Ba and Yen Phu power plants were restored and the Uong Bi and Viet Tri plants were expanded. Some 3,000 additional kilometres of power lines and 1,400 new transformer stations with a total capacity of 500,000 k.v.a. were built, thus helping to serve intensive farming, crop multiplication and acreage expansion in delta provinces.

"Following the complete liberation of South Vietnam in 1975, then Vietnam's reunification, the service worked out an overall plan for upgrading the old power plants, making the best of existing equipment, building the Hoa Binh and Tri and hydro-electric power plants and the Pha Lai thermal power plant as well as small-sized hydro-electric stations, and others, and building more electric lines and transformer stations.

"Electric output has since 1976 increased from 3,851 million k.w.h. in 1981 to 4,094 million in 1982, 4,240 million in 1983, and 4,929 million in 1984."

The vice-minister highlighted the service's considerable contributions to boosting agricultural production. Electricity mobilized to serve the combat against drought and waterlogging mounts to from 60 to 80 m.w. and sometimes to 100 m.w. he said.

In southern Vietnam, he added, a 230-kv grid has been installed to bring electricity from the Thu Duc and Can Tho power plants to various parts of the Mekong River Delta.

In the meantime, he noted, many transformers and 110-kv transmission lines have been installed to ensure the supply of electricity to key rice-growing areas in Vietnam's central coastal provinces.

The installation of the two engine groups at the Pha Lai thermal-electric power plant has been completed with a total designed capacity of 220 mw, Vu Ngoc Hai said.

He noted that adequate attention is given to building small hydro-electric stations each with a capacity of from 0.3 to 2,000 kw and to restoring almost 200 existing power stations with a total capacity of more than 7,000 kw.

The service has studied and utilized many other sources of energy such as biogases, coal, solar energy, and wind mills.

With regard to capital construction, the vice-minister said that the service has conducted basic surveys and made economic and technical feasibilities of major, medium and small-sized hydro-electric plants, worked out measures to ensure the tempo of construction at major projects, and put in a high voltage grid totalling 861 kilometres.

The Ministry of Power has worked out a plan for the period ending in the year 2000 and the following years.

CSO: 4200/1299

HEAVY INDUSTRY AND CONSTRUCTION

TRUONG CHINH VISITS TRI AN HYDROPOWER PLANT SITE

OW051629 Hanoi VNA in English 1527 GMT 5 Aug 85

[Text] Hanoi VNA August 5--President of the state council, Truong Chinh, has called at the construction site of the Tri An Hydroelectric Power Plant on the Dong Nai River (north of the Ho Chi Minh City).

The Tri An Electric Plant is now under intensive construction with Soviet assistance. When completed, it will be the biggest hydroelectric plant in Southern Vietnam with a designed capacity of some 480,000 kw.

President Truong Chinh was warmly welcomed by Pham Van Huy, member of the Communist Party of Vietnam Central Committee and secretary of Dong Nai Province's Party Committee; Tran van Danh, vice minister of power; Nhuyen van Bac, vice minister of water conservancy; Le Thanh Ba, chairman of the Dong Nai People's Committee; S. Sanasaryan, deputy head of the Soviet Experts Group working at the site; and large numbers of Vietnamese engineers and workers and Soviet specialists.

Speaking at a meeting held at the construction site in his honor, President Truong Chinh extolled achievements recorded by Vietnamese cadres and workers working together with Soviet specialists at the construction site. He thanked the party and people of the Soviet Union for their valuable assistance to Viet Nam. President Truong Chinh called on all cadres and workers at the construction site to try their best to speed up the tempo of construction to fulfill the state plan.

On behalf of the cadres and workers at the construction site, Tran Van Danh pledged to live up to the president's instructions.

Speaking on the occasion, the chief of the Soviet Experts Group, S. Sanasaryan, said that President Truong Chinh's visit to the construction site was a manifestation of the Soviet-Vietnamese friendship and a strong encouragement to all Soviet specialists working at the construction site.

CSO: 4200/1325

LABOR

BRIEFS

HA TUYEN LABOR REDISTRIBUTION--Since early 1984, Ha Tuyen Province has redistributed 4,291 workers to various production establishments, exceeding the plan norm by 72 percent. The province has also established new population areas with all public facilities such as public health centers, waterwells, housing projects, and animal farms. Besides 3 million dong provided by the state, the local people also contributed millions of dong and tens of thousands of mandays to build roads and additional new population areas. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 9 Aug 85 BK]

CSO: 4209/583

POPULATION, CUSTOMS, AND CULTURE

BRIEFS

HA SON BINH RESETTLEMENT--As of late July, about 41,000 people of the Yao, Mong, Tay, Muong, and Thai nationalities had been resettled in various localities in Ha Son Binh Province. The new settlers have opened and put under crops more than 500 hectares of virgin land. They have also grown more [than] 3,170 hectares of Bo trees and cinnamon. A total of 212 hectares have been zoned off in various resettlement centers to grow tea. Over the past 10 years, these centers have built 35 reservoirs, 61 dikes, 103 km of canals, 5 hydroelectric power projects, and 1 pumping station capable of watering and draining 1,500 hectares in Chuong and Tham Luong Villages in Da Bac District and Muong Ca and Ngo Luong Villages in Tan Lac District. They have also built 27 basic level schools, 59 classrooms, and 19 village medical aid stations and day nurseries. Some resettlement centers in Da Bac and Kim Boi Districts have been equipped with wired radio systems. [Text] [Hanoi Domestic Service in Vietnamese 0500 GMT 11 Aug 85 BK]

CSO: 4209/583

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